



NAVAL POSTGRADUATE SCHOOL

MONTEREY, CALIFORNIA

MBA PROFESSIONAL REPORT

A Comparative Study of Defense Reforms in Eastern European Nations

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December 2010**

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REPORT DOCUMENTATION PAGE			<i>Form Approved OMB No. 0704-0188</i>	
Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0188) Washington DC 20503.				
1. AGENCY USE ONLY (Leave blank)		2. REPORT DATE December 2010	3. REPORT TYPE AND DATES COVERED MBA Professional Report	
4. TITLE AND SUBTITLE A Comparative Study of Defense Reforms in Eastern European Nations			5. FUNDING NUMBERS	
6. AUTHOR(S) Lee Chee Hoe Michael				
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Naval Postgraduate School Monterey, CA 93943-5000			8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING /MONITORING AGENCY NAME(S) AND ADDRESS(ES) N/A			10. SPONSORING/MONITORING AGENCY REPORT NUMBER	
11. SUPPLEMENTARY NOTES The views expressed in this thesis are those of the author and do not reflect the official policy or position of the Department of Defense or the U.S. Government. IRB Protocol number <u>N/A</u> .				
12a. DISTRIBUTION / AVAILABILITY STATEMENT Approved for public release; distribution is unlimited			12b. DISTRIBUTION CODE	
13. ABSTRACT (maximum 200 words) This thesis analyzes the defense reforms in transitioning nations in Eastern Europe after the end of the Cold War. The objective is to compare the similarities and differences, as well as discern possible patterns of defense reform. To provide an analysis of this topic, literature on public management reforms will be studied to better understand the array of socio-economic, political and other factors, which may be involved in defense-oriented public management reforms. A proposed framework of different forces of reforms (influence) and the tides of reforms (purpose) will be developed to compare and analyze the defense reforms in different countries. The model could serve as a framework for future analysis of defense reforms in other parts of the world.				
14. SUBJECT TERMS Defense Reform, Transformation, Professionalization, Bulgaria, Czech Republic, Poland, Ukraine			15. NUMBER OF PAGES 135	
			16. PRICE CODE	
17. SECURITY CLASSIFICATION OF REPORT Unclassified	18. SECURITY CLASSIFICATION OF THIS PAGE Unclassified	19. SECURITY CLASSIFICATION OF ABSTRACT Unclassified	20. LIMITATION OF ABSTRACT UU	

NSN 7540-01-280-5500

Standard Form 298 (Rev. 2-89)
Prescribed by ANSI Std. Z39-18

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**A COMPARATIVE STUDY OF DEFENSE REFORMS IN EASTERN
EUROPEAN NATIONS**

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Submitted in partial fulfillment of the requirements for the degree of

MASTER OF BUSINESS ADMINISTRATION

from the

**NAVAL POSTGRADUATE SCHOOL
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A COMPARATIVE STUDY OF DEFENSE REFORMS IN EASTERN EUROPEAN NATIONS

ABSTRACT

This thesis analyzes the defense reforms in transitioning nations in Eastern Europe after the end of the Cold War. The objective is to compare the similarities and differences, as well as discern possible patterns of defense reform. To provide an analysis of this topic, literature on public management reforms will be studied to better understand the array of socio-economic, political and other factors, which may be involved in defense-oriented public management reforms. A proposed framework of the different forces of reforms (influence) and tides of reforms (purpose) will be developed to compare and analyze defense reforms in different countries. The model could serve as a framework for future analysis of defense reforms in other parts of the world.

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LIST OF ACRONYMS AND ABBREVIATIONS

ACR	Army of the Czech Republic
BAF	Bulgarian Armed Forces
BGN	Bulgarian Lev
BSP	Bulgarian Socialist Party
CIS	Commonwealth of Independent States
CZK	Czech Koruna
EU	European Union
EUFOR	European Union Force
GDP	Gross Domestic Product
IFOR	Implementation Force
ISAF	International Security Assistance Force
KFOR	Kosovo Force
MOD	Ministry of Defense
NATO	North Atlantic Treaty Organization
PAF	Polish Armed Forces
SFOR	Stabilization Force
TSA	Transportation Security Administration
UAF	Ukrainian Armed Forces
UDF	United Democratic Forces
USD	United States Dollar
U.S.	United States

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ACKNOWLEDGMENTS

“I can do everything through Him who gives me strength.” Philippians 4: 13

The Lord has been kind and gracious to me; I have been blessed by the support of the following people:

My beautiful wife, Lyah, for your understanding and unwavering support through many long hours in the late nights. My three lovely children, Danelle, Gabrielle, and Emmanuel, for energizing me with your smiles and laughter.

Associate Professor Lawrence R. Jones and Senior Lecturer Philip J. Candreva, whose guidance, patience, and encouragement made this thesis possible. Thank you for your support throughout the entire learning process.

Steve Cyncewicz and Donna Cuadrez, for your professional support in editing my thesis.

My fellow students and my instructors at the Naval Postgraduate School who have enriched my life in so many ways.

CDR Paul Lawler and CPT David Hanisch, thank you for your friendship and all the fun we had at the Trident Room sessions.

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EXECUTIVE SUMMARY

Throughout history governments have been drumming the beat of public reform, including defense-related reforms. These reforms could be described as tides of reforms, with desired outcomes to reduce wastages, promote efficiencies, improve accountability, or enhance adaptability in government agencies. They are constantly shaped and influenced by different reform forces due to changing political environments, socio-economic conditions, internal pressures and unexpected events, which have significant impact on government, the public and even nations. For example, the end of the Cold War ushered in an era of economic growth in the 1990s through the mid 2000s in the European arena. This brought about pressures from both socio-economic and political forces to demand commensurate defense reforms, especially for transitioning nations in Eastern Europe. Fast-forward to 2010 where the world is facing a prolonged global recession since the burst of the United States housing bubble in 2007. However, widespread defense reforms appear to be continuing and even accelerating.

Faced with continual downward pressures on defense spending and increasing international peacekeeping operations, many countries have already started reviewing their national security strategy and re-charting modernization plans for their armed forces. In addition, they have started exploring ways and means to use their defense dollars more effectively. As countries in Central and Eastern Europe continue to downsize into smaller armed forces, their focus will be shifted towards developing a smaller but flexible, responsive and professional military force to deal with the challenges in a changed security environment after the September 11, 2001 incident. At the same time, they are becoming more open to best practices and innovative ideas from the private sector for application in their armed forces, especially towards capability development. It is thus important to analyze the impact of emerging trends on future defense reforms.

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I. BACKGROUND

A. INTRODUCTION

The end of the Cold War ushered in an era of economic growth in the 1990s through the mid-2000s in the European arena. This brought about pressures from both socio-economic and political forces to demand commensurate public reforms, especially for the defense business in Eastern European nations. Fast-forward to 2010, where the world is facing a prolonged global recession since the burst of the United States (U.S.) housing bubble in 2007. The European Union (EU) has already agreed to cover up to USD 1 trillion of Greece's accumulated debt. However, widespread defense reforms appear to be continuing and even accelerating. Many countries have already started reviewing their national security strategy and re-charting the modernization plans for their armed forces to deal with the economic challenges in a changed security environment after the September 11, 2001, terrorist attacks.

In Bulgaria, the armed forces are preparing for a major restructuring and force reduction as decreed in the 2010 White Paper on Defense. The Czech Republic has also set up a team of security and international relations experts to work on a White Paper on Defense, which is targeted for release in spring 2011. Poland is currently developing long-term modernization plans to fulfill the "Vision of the Polish Armed Forces 2030," and a review of its national security strategy is expected to be completed in 2011.¹ In October 2010, the British Prime Minister announced an 8 percent slash in the defense budget over the next four years. This will be accompanied by a drastic reduction in troop levels and military equipment purchases. One implication of the proposed defense cuts is that the British Armed Forces will have aircraft carriers with no jet fighters for the next

1. Jane's Military and Security Assessments, "Armed Forces: Poland," posted July 19, 2010, accessed November 1, 2010.
http://www8.janes.com.libproxy.nps.edu/JDIC/JMSA/documentView.do?docId=/content1/janesdata/sent/ceursu/polas100.htm@current&pageSelected=&keyword=&backPath=http://jmsa.janes.com/JDIC/JMSA&Prod_Name=CEURS&activeNav=http://www8.janes.com/JDIC/JMSA.

ten years.² This announcement came despite the North Atlantic Treaty Organization's (NATO) earlier warning to its allies on the possible implications in undermining transatlantic security, should they slash defense budgets as a quick fix in the current economic crisis.³

B. PURPOSE

This study examines the defense reforms in four Eastern European countries, namely Bulgaria, Czech Republic, Poland and Ukraine, by summarizing the relevant contextual and external variables, as well as the drivers for change since the end of the Cold War. The study will also propose a model to analyze reform similarities and differences and draw conclusions about possible patterns of defense reforms for transitioning countries in Central and Eastern Europe.

The following research questions are addressed:

- What is reform?
- What are the different forces and desired goals in reform?
- Who is involved in reform?
- What are the forces and purpose of the defense reforms for the selected group of countries?
- What are the similarities or differences in the defense reforms among these countries?
- Are there any emerging trends that could affect future defense reforms in Europe, especially for transitioning countries in Central and Eastern Europe?

2. Daily Mail Online, "Cut to the Bone: 25,000 MOD Staff and 17,000 from Armed Forces to Go in Defence Savings," last modified October 19, 2010, <http://www.dailymail.co.uk/news/article-1321873/DEFENCE-REVIEW-Cameron-confirms-MoD-budget-slashed-8-cent.html>.

3. James G. Neuger "NATO Urged to Pool Weapons Purchases, Eschew Defense Cuts," Bloomberg, accessed May 26, 2010, <http://www.bloomberg.com/apps/news?pid=20601103&sid=aveIToiga7ms>.

C. SCOPE AND LIMITATIONS

1. Scope

The scope of this thesis includes: (1) a review of the literature on public management reform, (2) proposing a model to analyze defense reforms, (3) examining the defense reforms for the selected group of countries, (4) comparing the defense reforms across countries to identify similarities and differences, as well as emerging trends, and (5) an evaluation of the proposed model.

2. Limitations

This is a qualitative research study that analyzes and compares the forces that have influenced the flow of ideas, politics and interests behind defense reforms from the 1990s till today, and the eventual reform outcomes. The information on the defense reforms for the selected group of countries was gathered from a variety of resources, namely websites, journals, books and periodicals. Primary sources include Ministry of Defense (MOD) websites for the respective countries, Jane's Defense (<http://www.janes.com>), World Bank (<http://databank.worldbank.org>), International Monetary Fund (<http://www.imf.org/external/data.htm>), previously completed theses, and other academic publications. The proposed model to analyze the defense reforms was developed based on existing literature on public management reforms.

D. EXPECTED BENEFITS OF THE STUDY

This study will provide a model to analyze and compare defense reforms across different countries. The case studies will form a database and facilitate future studies on the implications of defense reforms, especially for the transitioning countries in Central and Eastern Europe.

E. THESIS ORGANIZATION

A review of the literature on public management reform and the proposed model for analyzing defense reform are covered in Chapter II. Chapters III to VI describe the

defense reforms in Bulgaria, Czech Republic, Poland and Ukraine since the end of the Cold War. The analysis of the defense reform similarities and differences for the four countries, emerging trends, as well as an evaluation of the proposed model is presented in Chapter VII. Chapter VIII concludes the study with a summary, conclusions and recommendations for future research.

II. UNDERSTANDING PUBLIC MANAGEMENT REFORM

Defense management reform is a specific case of public management reform and any variation is a matter of degree among the reform factors. For example, international actors may play a more important role in defense reforms as compared with health care or social security reforms. To analyze the research, the author will examine the literature on public management reforms. This will help to better understand the array of historical, geographical, socio-economical, and political factors influencing public management reforms, which would also likely exist in defense management reforms.

In this chapter, the author will examine how one can better understand public management reform. The chapter will first define *what public management reform is*. Next, it will examine the following question: *why public management reform?* This can be best answered by looking at the different forces and the desired goals and outcomes of such reforms. The paper will then move on to address the final question: *who is involved in public management reform?* In this section, the author will identify the participants and champions of public management reform and tie back to their interests in pushing for such reforms. At the end of the chapter, the author will propose a framework that can serve as a broad structure to compare and analyze public management reforms, including defense related reforms, across different countries.

A. WHAT IS PUBLIC MANAGEMENT REFORM

In the simplest definition, public management reform is about introducing changes to make government agencies operate better. From an academician's perspective, the phrase could be better explained by breaking it into two components, namely public management and reform, to be looked at separately.

Perry and Kraemer view public management as incorporating general management *values*, such as efficiency and effectiveness, as part of a government's

mission in delivering public goods and services.⁴ On the other hand, Metcalfe and Richards define public management as the *process* in managing or guiding a whole set of interdependent organizations with a system of public governance.⁵ Public management could also be viewed as the *activities* that “buckle” government and civil society together, as highlighted by Pierre.⁶ Clarke and Newman add that public management is the implementation of *political ideas* to justify the allocation of resources and the creation of a distinct culture.⁷ Finally, König thinks of public management as a *system* that supplies public goods and services according to the priorities of government, yet influenced by the socio-economic or economic forces of society.⁸ One can draw several key points from these definitions.

First, public management is concerned with the control of structures, processes, and activities to fulfill the mission accorded to government. This is similar to general management, except that public management involves a whole system of interconnected and interdependent organizations. Thus, managing public organizations often requires a high degree of cooperation and collaboration between departments and agencies, both within and outside of the government. Private organizations, on the other hand, need to be competitive to stay in the market.

Second, public management is a complex process due to constant flux in the ideologies of how government should function. As different stakeholders within the unique socio-political environment attempt to influence the management ideas for government, this often results in multiple conflicting and ambiguous goals for public organizations. According to Nutt and Backoff, “the demand of interest group, flux in missions, and manipulation by important stakeholders and third parties” created the

4. James L. Perry and Kenneth L. Kraemer, *Public Management: Public and Private Perspectives* (California: Mayfield, 1983), x.

5. Les Metcalfe and Sue Richards, “Evolving Public Management Cultures,” in *Managing Public Organizations*, ed. Jan Kooiman and Kjell A. Eliassen, (Oxford: Sage, 1987), 65–86.

6. Jon Pierre, *Bureaucracy in the Modern State: An Introduction to Comparative Public Administration* (Aldershot: Edward Elgar, 1995), ix.

7. John Clarke and Janet Newman, *The Managerial State* (Oxford: Sage, 1997), ix.

8. Klaus König, *On the Critique of New Public Management* (Speyer: Forschungsinstitut, 1996), 4, 59.

complexity in public management.⁹ The issue is further compounded as new leaders emerge from elections and, along with new appointments, disrupt existing plans and projects with their new ideas. In contrast, the ideas and values for private organizations are driven by a small group of board directors that tend to be clear and remained unchanged over a longer period of time.

Third, goal ambiguity results in difficulty to establish clear, measurable, and specific performance indicators in public management. Private organizations, on the other hand, have clear “bottom-lines” and performance indicators; as the saying goes: “if you can't measure it, you can't manage it.” Public organizations often use generic proxies such as measuring input variables to evaluate performance. These proxies tend to be indirect measurements of performance and are usually vague. As a result, problems cannot be detected and corrected in a timely manner. Hence, politicians and senior public officers are constantly pushing for reforms to find the “right” fix for the government.

Reform has become explicitly a political term in today's society. Politicians often associate bombastic words, such as ‘transformation,’ ‘reinvention,’ ‘modernization,’ and ‘improvement,’ when announcing reforms. While these words offer different connotations of change, are they reflective of the definition for reform? One way to examine this is to understand the different theories of organizational change.

According to Ackerman,¹⁰ there are three types of change that are common in organizations: developmental change, transitional change, and transformational change. Developmental change is about improving something, which *already exists* in the organization, and the change is part of an incremental approach. Transitional change focuses on implementing something new. It is about moving the organization to a *known new state* that is identified by the organization. On the other hand, transformational change is revolutionary, as the impetus for change due to the organization's failure to

9. Paul C. Nutt and Robert W. Backoff, *Strategic Management of Public and Third Sector Organizations: A Handbook for Leaders* (San Francisco: Jossey-Bass, 1992), 44.

10. Linda S. Ackerman, "Development, Transition or Transformation: The Question of Change in Organizations," *OD Practitioner* 18, No. 4 (1986): 1–8.

deal with the current environmental demands. In the process of change, the organization emerges to an *unknown new state* from the “remains of the chaotic death of the old state.”¹¹

Rarely is transformational change in today’s government seen, as politicians are eager to see the results of reforms in the shortest possible time. More than often, reforms are about developmental change, where the intent is to improve or fine-tune some deficiencies in the current state. Other times, reforms are about transitional change, moving the organization towards the “more desirable” future state as envisioned by politicians. However, the question is how often are the results being measured against the desired outcome as proclaimed? The point is that reforms are merely frames of reference according to Dunn.¹² To understand reforms, it is necessary to consider the claims, objectives, and actors involved in the process.

Pollitt and Bouckaert summed it up by broadly defining public management reform as making “deliberate changes to the structures and processes of public sector organizations with the objective of getting (in some sense) to perform better.”¹³ Politicians will continue to use words like ‘transformation’ and ‘reinvention’. Therefore; it is important to uncover the motivations behind the reforms. This leads to the next question: why public management reform?

B. WHY PUBLIC MANAGEMENT REFORM?

There are two perspectives in responding to this question. Scholarly literatures look for the desired outcomes as the reasons for public management reforms. As explained in the earlier section, the goal of public management reform is often about moving from the current state to a more desirable state. Examples of a desired state

11. Ackerman, "Development, Transition or Transformation: The Question of Change in Organizations," 8.

12. William N. Dunn, “Policy Reforms as Arguments,” in *The Argumentative Turn in Policy Analysis and Planning*, ed. Frank Fischer and John Forester (London: UCL Press, 1993), 259, 270.

13. Christopher Pollitt and Bouckaert, *Public Management Reform: A Comparative Analysis* (New York: Oxford University Press, 2004), 16.

include having a government that operates with fewer resources, executes better quality public services, implements more effective policies, and provides greater transparency to taxpayers.

1. Tides of Reforms

According to Light, there are four philosophies of public management reforms, which he termed as *the tides of reforms*. Each tide of reform has desired outcomes that are driven by unique goals, focusing on a different set of products. It also motivates distinct groups of participants, which will be elaborated on in the next section. For example, if the desired outcome of public management reform were to have a more productive government, the reform would likely be the review of rules and structures (products) to focus on the improvement of the efficiency (goal) in government operations. The four tides of reform are summarized as below:

- a. Reform Tide of Scientific Management. These tides of reform categories can be observed in many public management reforms, where the desired outcome is to create *a more productive and efficient government* that works better, as discussed in the previous example.
- b. Reform Tide of War on Waste. The reform tide of war on waste is another common driver of public management reform. The goal of such reform is to cut waste and save money by conducting audits and reviews of practices and findings. Similar slogans or taglines to call for changes to create *a more prudent government* that cost less would most certainly be heard during election periods.
- c. Reform Tide of Watchful Eye. As the name suggests, the philosophy behind this reform tide category is to create *a more transparent government* that provides greater visibility and accountability on its actions. The goal is to ensure fairness and equity by providing the public, the media, and interest groups the rights to access information.

d. Reform Tide of Liberation Management. The goal of such reform is to reshape the government to achieve *higher performance and greater adaptability*. This reform category usually focuses on the decentralization of decision-making authority to employees, reengineering of programs, and redefinition of standards to be customer-focused.¹⁴

While Light uses the four tides of reforms to explain the different thinking or reasons that drive public management reforms, he recognizes that these tides of reforms overlap one another. More often, one tide will come in as another goes out. Light provides evidence from history to support this claim. For example, Andrew Jackson's reform agenda was to restore accountability to the government through the reform tide of watchful eyes. This was in response to concerns about corruption that were not addressed in Thomas Jefferson's earlier war on waste and liberation management.¹⁵ Thus, as one political party rides on a specific tide of reform, another agency will be mounting its efforts to launch another tide of reform.

One critic of Light's theory is that the four tides of reforms do not take into account the symbolic and legitimacy benefits of public management reforms. Pollitt and Bouckaert highlight that as the politicians and senior public officers announce reforms to the complex structures and processes within government, it is likely to create a positive effect on their reputation and career, with little immediate cost.¹⁶ Dunleavy describes this as "bureau-shaping" where senior public servants usually stand to gain from restructuring or redesigning the organization.¹⁷ Politicians and senior public officers therefore want to be seen as advocates of change, and constantly are on the lookout for ideas to introduce new reforms.

14. Paul C. Light, *The Tides of Reform: Making Government Work, 1945–1995* (Connecticut: Yale University Press, 1997), 15–43.

15. *Ibid.*, 15–17.

16. Pollitt and Bouckaert, *Public Management Reform: A Comparative Analysis*, 6.

17. Patrick Dunleavy, *Democracy, Bureaucracy and Public Choice: Economic Explanation in Political Science* (Hemel Hempstead: Harvester Wheatsheaf, 1991).

2. Forces of Reform

Pollitt and Bouckaert approach the question of why public management reform from a slightly different perspective. Instead of looking at the desired outcomes, they focus on analyzing the forces or pressures that drive and influence the reforms to achieve these desired outcomes. According to Pollitt and Bouckaret, there are four forces of public management reforms.¹⁸

- a. Socio-economic Forces. These refer to global economic forces and socio-demographic changes. For example, health care reforms have become important in societies with aging populations and high inflation in health care costs.
- b. Political System. The forces of the political system encompass the agenda and new ideas from the political parties, as well as pressure from the citizens. For example, in the U.S., the Democratic Party prefers an expansion of the government's role to improve public education, while the Republican Party prefers private schools and economic incentives.
- c. Administrative System. These are internal pressures from within governmental agencies to change the systems, processes, and structures governing their operations and personnel. Pollitt and Bouckaret comment that the changes from reforms that are driven by these internal pressures are usually on an incremental basis. This is due to organizational complexities, such as interlocking rules and regulations, fixed mindsets and culture that are created over a long period of time.
- d. Chance Events. The aftermath of disasters and scandals within government are always seen as good and valid reasons to call for new reforms. The events of September 11, 2001, are a good example that resulted in an overhaul of the U.S. government's strategies, policies, and structures under the George W. Bush Administration.

18. Pollitt and Bouckaert, *Public Management Reform: A Comparative Analysis*, 24–38.

Pollitt and Bouckaert recognize that there is great interaction between the different forces of reform that influence the flow of ideas, politics, and interests behind public management reforms. For example, an aging population will likely result in citizens demanding for more subsidies and better quality healthcare services, expressed to the government through their politicians. The authors also acknowledge that the model still needs “a lot to be filled in.”¹⁹ Nonetheless, the forces of reform can serve as a starting point to identify the pressures that drive or influence the way public management reforms are being evolved, shaped, and finally implemented.

C. WHO IS INVOLVED IN PUBLIC MANAGEMENT REFORM?

Having understood both the broad definition and reasons for public management reform, it is equally important to identify the participants involved. They can be broadly classified into three categories: public officers in the administration, politicians in the legislature, and other external stakeholders in civil society. Government employees will inevitably be involved in public managements reforms to some extent in their career. Politicians are usually the champions of public management reform, as they are elected to maintain the oversight of the government. Citizens are also indirectly involved in public management reforms by providing valuable feedback and justifications to their political representatives to launch new reforms.

Pollitt and Bouckaert narrow the participants of public management reforms as “the people who supply the power, ideas or skills that drove or enabled the process of reform.” Besides politicians who are the most important actors in public management reforms, Pollitt and Bouckaert include senior civil servants, management consultants, independent think tanks, shadow government, and academic institutions that have great influence on public management reforms.²⁰ This comes to no surprise, as the stakes for these groups can involve additional government funding, publicity for the next big management model or theory, and political presence in government. One observation by

19. Pollitt and Bouckaert, *Public Management Reform: A Comparative Analysis*, 38.

20. *Ibid.*, 19–20.

Saint-Martin is that management consultants have been involved in almost every reform by the governments in the U.S., Australasia, and the United Kingdom during the 1980s and 1990s.²¹

While Pollitt and Bouckaert have refined the different groups of participants of public management reforms, the question is how to relate each group (who) to the different reform agendas (why). Each group has their unique interests. Some will have a greater role and influence in public management reforms that focus on driving efficiency and economy, while others will be champions for reforms that call for greater transparency or performance in government. Light attempts to draw this linkage through his theory of *the tide of reforms*. He highlights that there are specific champions and participants of public management reform depending on the tide of reform.

According to Light, the President and the executive branch are often the champions for *scientific management* and *liberation management* reforms. On the other hand, Congress will be in the driver's seat for reforms that call for greater governance, which he terms as the tide of *watchful eyes*, in areas such as accountability, fairness and transparency. Congress has also been the biggest voice in declaring *war on waste* in government. As for the participants, namely experts such as management consultants and academicians, they are often engaged to help improve the productivity and performance of government, with internal participation from government employees. Conversely, interest groups, political think tanks, inspector generals, whistle blowers, and the media provide the ideas and required data to the politicians to drive reforms, in an attempt to create a more prudent and transparent government.²²

As the author re-examines the question of who is involved in public management reforms, one can almost argue that every citizen has some role to play, especially when the reforms impact the delivery of public goods and services. Hence, it is important to

21. Denis Saint-Martin, *Building the New Managerial State: Consultants and the Politics of Public Sector Reform in Comparative Perspective* (Oxford: Oxford University Press, 2000).

22. Light, *The Tides of Reform: Making Government Work, 1945–1995*, 15–43.

identify the champions and key participants of public management reforms, as different groups bring forth different agendas and certain elements of biases that shape and influence the reforms.

D. MODEL TO ANALYZE PUBLIC MANAGEMENT REFORM

Having examined the definition of public management reform, the reasons and forces driving reforms, and the principal actors involved, the next question is how to analyze public management reforms. In the process of analysis, potential questions raised include:

- *What are the forces and purposes of the public management reforms in a specific country?*
- *What are the similarities and differences in the reforms when comparing between different countries?*
- *Are there patterns of reform that are discernable among these nations?*

In this section, the author proposes a general model that will serve as a framework to compare and analyze public management reforms across different countries.

Figure 1 shows the proposed general model, which is similar to the model by Pollitt and Bouckaert.²³ Some changes are proposed, including the incorporation of the four tides of reform that were reviewed earlier in this chapter. These differences will be elaborated upon in the following paragraphs.

23. Pollitt and Bouckaert, *Public Management Reform: A Comparative Analysis*, 24–38.

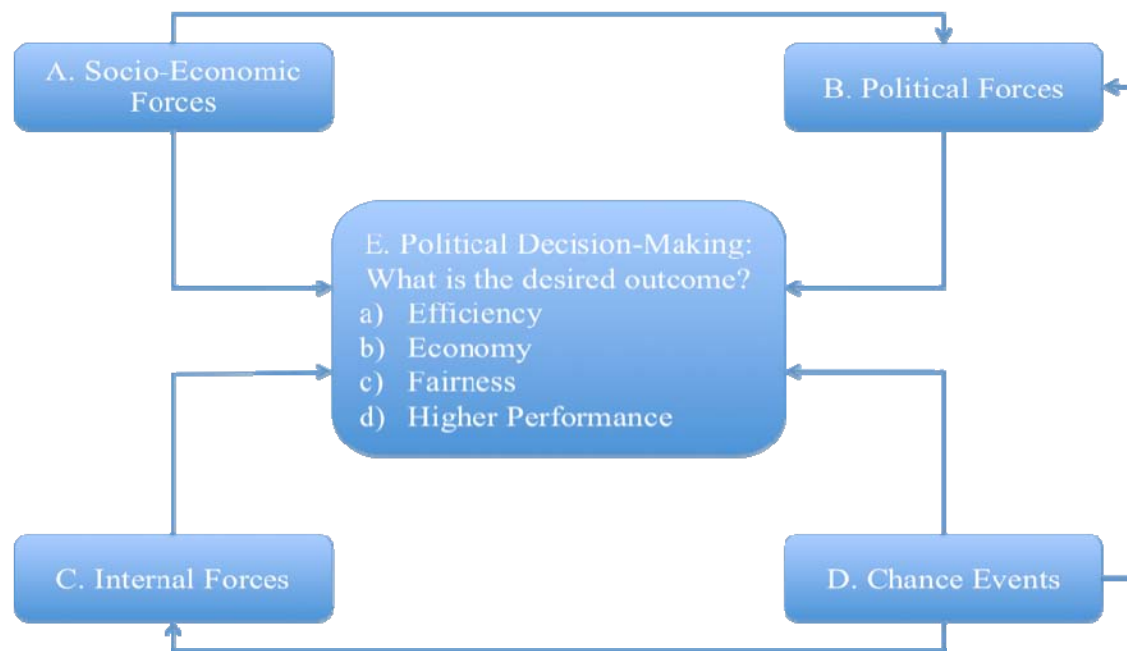


Figure 1. Proposed Model for Public Management Reform

The four boxes A–D depict the forces of public management reform.²⁴ Boxes A, B and D are as per the model by Pollitt and Bouckaert. Box A represents the socio-economic forces, which are influenced by both global economic forces and socio-demographic changes. Box B refers to the political forces that encompass the agenda and new ideas from political parties, as well as pressure from citizens. Box D relates to chance events that trigger the call for public management reform. While box C still represents the pressures from within government (due to internal deficiency or frustration) that call for reforms, it has been re-labeled from administrative system to internal forces for better representation.

Another key difference is that box D is connected with box B and box C. Chance events often result in significant consequences that provide additional pressures on both political and internal forces, which hasten the process of public management reform. For example, the 9/11 incident has resulted in many drastic reforms carried out by both the Bush Administration and the U.S. Congress. Following the incident, Congress created the

24. Pollitt and Bouckaert, *Public Management Reform: A Comparative Analysis*, 24–38.

Transportation Security Administration (TSA) under the Aviation and Transportation Security Act in November 2001. The creation of TSA changed the way aviation security is carried out with the introduction of new measures and procedures, such as security screening of all luggage, federal air marshals, and liquid rules for carry-on luggage.²⁵ These new TSA measures have not only affected citizens in the U.S., they have also impacted worldwide travelers, with many other countries adopting similar practices. Internally within the U.S. Government, many departments were also going through reforms. At the Department of Defense, Secretary Donald H. Rumsfeld laid out the transformation plans for the U.S. Military in the 2001 Quadrennial Defense Review Report. Some of the key changes included strengthening of joint operations, experimenting with new approaches to warfare, exploiting intelligence advantages, as well as the reform of the planning, programming and budgeting system (PPBS) and the acquisition process to fight the “Global War on Terrorism.”²⁶

Similar to the model by Pollitt and Bouckaert, the proposed model has assumed that the decision-making process in public management reform is predominantly top-down rather than a bottom-up approach. The assumption is that the conception and implementation of public management reforms are by a group of elites or senior officials in the administration and legislature, but they are influenced or perhaps at times pressured by the four forces of reform as described in boxes A-D.²⁷ Box E thus lies at the heart of the author’s proposed model that represents the ‘political decision-making’ process, which is termed as the ‘elite decision-making’ process in Pollitt and Bouckaert’s model. However, box E has incorporated the four tides of reform as shown in the proposed model.²⁸ This is another change to Pollitt and Bouckaert’s model, as the desired outcome(s) is one of the key determinants in the decision-making process for public management reform based on the above literature reviews.

25. Transportation Security Administration, “Transportation Security Administration,” accessed May 26, 2010, <http://www.tsa.gov/index.shtm>.

26. U.S. Department of Defense, “2001 Quadrennial Defense Review Report,” accessed June 2, 2010, <http://www.defense.gov/pubs/pdfs/qdr2001.pdf>.

27. Pollitt and Bouckaert, *Public Management Reform: A Comparative Analysis*, 24–38.

28. Light, *The Tides of Reform: Making Government Work, 1945–1995*, 15–43.

E. CHAPTER SUMMARY

In the last section, the author has proposed a model to depict the forces of reforms and the interconnectivity between the different forces. In addition, the model has incorporated the desired goals and outcomes of public management reforms. One area that is lacking in the model is the different key actors involved in these reforms. One would probably have to infer the champions and participants by examining the tides of reforms and tie back to their interests in specific reforms.

Nonetheless, the proposed model could serve as a broad structure to analyze public management reforms that have already shaped or are currently reshaping government. The proposed model could also be used to look at specific reforms in certain part of government, such as defense or health care reform. In addition, the proposed model could be used to compare public management reforms across countries, given the unique political and bureaucratic environments. Case studies on a variety of countries that have gone through significant reforms could be used to test and refine the proposed model.

In the next few chapters, the author will examine the defense reforms in Bulgaria, Poland, Ukraine and the Czech Republic after the end of the Cold War. The author will apply the model to identify and compare the reform forces and tides of reforms in the defense reforms for these four transitioning countries in Eastern Europe.

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III. DEFENSE REFORM IN THE REPUBLIC OF BULGARIA

A. COUNTRY PROFILE

Bulgaria, known officially as the Republic of Bulgaria, declared its independence on November 10, 1989, after a successful coup to remove the Bulgarian Communist Party (renamed as the Bulgarian Socialist Party). Following that, Bulgaria implemented socio-economic initiatives and political reforms to transition into an open-market system and democratic society. The transition process was painful, as the newly formed government had limited mandate. Between 1990 and 1996, the power of the Bulgarian government was shared between two major political parties—the Bulgarian Socialist Party (BSP) and United Democratic Forces (UDF). As a result, it was difficult for the Bulgarian government to have any clear position on political, economic, or security issues.

Bulgaria became the “worse managed country in Europe,”²⁹ unable to provide necessary political goods such as security, education, health services, economic opportunity, environmental surveillance, a legal framework of order and a judicial system to administer it, and fundamental infrastructural requirements such as roads and communications facilities to its citizens.³⁰ Between 1990 and 1997, Bulgaria fell into economic crisis, averaging an annual Gross Domestic Product (GDP) growth of -4.6%. 1996 was the worst year for the Bulgarian society with the collapse of the Bulgarian national currency. In that year, GDP growth plummeted to -9.4%, coupled with hyperinflation.³¹ Given the political and economic instability, there were no major reforms or changes to the Bulgarian Armed Forces (BAF) in the first eight post-communist years.

29. Emile Giatzidis, *An Introduction to Post-Communist Bulgaria: Political, Economic and Social Transformation*, (United Kingdom: Manchester University Press, 2002), 59.

30. Robert I. Rotberg, “The New Nature of Nation-State Failure,” *The Washington Quarterly*, Vol. 25, No. 3, Summer 2002, 85–96.

31. World DataBank, “World Development Indicators,” accessed November 1, 2010, <http://databank.worldbank.org>.

The turning point for the political situation in Bulgaria was 1997. In the April 1997 elections, the UDF and its allies won a comfortable majority to form a new government. The new government launched an ambitious reform package to stabilize the economy. They established a currency board and passed new legislation on banking and crime control, which won the approval of the International Monetary Fund and World Bank. The Bulgarian economy began to stabilize with an average GDP growth rate of 4.3% from 1998 to 2009, although inflation continued to hover around 7.4%.³² At the same time, the new government announced its intention to join NATO and the EU. This became the impetus to overhaul the BAF, which was very much in the same shape and form as during the Cold War period. Bulgaria eventually became a full member of NATO and the EU on March 29, 2004, and January 1, 2007, respectively, though most of the reform objectives were not met due to declining budgetary support in the 2000s. Currently, Bulgaria is reworking defense reforms plans based on the results released in the recent White Paper 2010. Today, Bulgaria is ranked 72nd in the world in terms of GDP and the World Bank classifies Bulgaria as an “upper-middle-income economy.”³³

B. POLITICAL FORCES

Political forces played an important role in driving defense reform in Bulgaria. After the fall of the Iron Curtain, Bulgaria implemented the westernstyle political system where political parties sought to represent politically significant social interests. There were more than 200 officially registered parties at that time. With the exception of the BSP and UDF, the rest of the political parties were poorly organized with low membership. Despite having some success, neither the BSP nor the UDF was able to achieve a majority at the 1990, 1991, and 1994 elections.³⁴

During this period, the political elites were described as “pretending to reform”³⁵ with primary focus on personal agendas, although there were some attempts to establish

32. World DataBank, “World Development Indicators.”

33. Ibid.

34. Grudi I. Angelov, “The Impact of Bulgarian Membership in NATO and the EU on the Development of the Bulgarian Armed Forces,” (U.S. Army War College, 2007, 2).

35. Ibid.

civil control over the BAF. Examples include establishing the authorities between the President and the government over the military, as well as partially replacing key positions held by senior military officers in the MOD with civilians. Politics were also separated from the BAF by removing all communist influence and political party cells in the military.³⁶ However, the lack of clear regulations and understanding of the new civil-military framework resulted in frequent clashes between the MOD and General Staff, especially on issues of downsizing and restructuring. There was also little discussion on defense matters at the parliamentary level due to lack of support and expertise. Hence, the Bulgarian parliament was unable to exercise effective legislative oversight of the BAF.

In addition, the government, with domination by the BSP, did not have any clear direction on its foreign policy and national security strategy. The first attempt to define a national security strategy was the issue of the National Military Concept in 1995. The National Military Concept envisioned military security as “determined by the strategic, political, and military factors in the international environment on the one hand, and national military capabilities on the other.”³⁷ While the National Military Concept had identified collaboration with international institutions as a component of its national security strategy, there was no consensus on Bulgaria’s geopolitical objectives on whether to lean towards Western Europe. Despite three rounds of NATO discussions in 1996 on the possibility of including Bulgaria into the alliance, the Bulgarian government concluded that it did not want to pursue NATO membership. Without clear strategic guidance and goals, the BAF was unable to redefine its roles, doctrines and missions that were laid out since the Cold War era. Jeffrey Simon described this period as the “seven lost years” for Bulgaria.³⁸

36. Galentin I. Gueorguiev, “Bulgarian Military in Transition: The Legal Framework of Democratic Civil-Military Relations,” (Naval Postgraduate School, 1998), 30–36.

37. Blagovest Tashev, “In Search of Security: Bulgaria’s Security Policy in Transition,” in *Old Europe, New Europe and the U.S.: Renegotiating Transatlantic Security in the Post 9/11 Era*, (Hampshire: Ashgate Publishing, 2005), 131.

38. Jeffrey Simon, “Bulgaria and NATO: 7 Lost Years,” *Strategic Forum*, No. 142 (1998).

At the 1997 elections, the new government presided by the UDF came into power and brought about real democratic change in Bulgaria. Besides implementing economical reforms that brought about stability to the country, the government provided clear directions on foreign policy. It formally announced Bulgaria's desire to join NATO and the EU, and all reform initiatives were geared towards achieving the top two priorities of the nation. Defense reforms also followed suit to ensure that Bulgaria fulfilled the criteria for membership, which included strengthening civilian control of the military, reforming of the BAF, and improving interoperability with NATO forces.

Within that year, the government approved a three-stage Defense Reform Program, comprised of several reform tides. First, there was a reform tide of war on waste to reduce the military force size from 107,000 in 1997 to 65,000 by 2010. Second, the reform tide of watchful eyes was launched in 1998, with the creation of the Military Cabinet of the President and a Council for National Security to increase the capacity and expertise of civilian authorities in the area of national security. Third, the reform tide of scientific management and liberation management overlapped from 2001 to 2010 as the BAF strived to restructure into three corps: Rapid Reaction Corps and First and Third Army Corps. The new corps would be staffed with more professional soldiers and fewer conscripts (and a shorter serving period), and equipped with modernized military inventory as well as improved barracks and training facilities. The final goal of the Defense Reform Program was to have a small but combat-ready BAF with the ability to prevent small and medium conflicts, while at the same time interoperate with NATO forces.³⁹

In 2002, Bulgaria published its first White Paper, along with the first Defense Strategy of the Republic of Bulgaria. These two documents were devoted to the reform of the BAF, interoperability with NATO forces, and the ultimate goal of joining NATO and the EU. However, these documents, including the ongoing defense reforms, were not developed with deep analysis or optimal consideration of the country's economic ability to fund the modernization plans. As a result, the principal objectives set in the 2002 White Paper were not achieved due to

39. Simon, "Bulgaria and NATO: 7 Lost Years," 5.

...the combination of aspirational strategic thinking, fluctuating political will, underprepared professionalization of the Armed Forces and arbitrary self-interested decisions for purchasing new equipment, meant that the Armed Forces' gradual process of building-up capabilities to a large extent never took place.⁴⁰

Nonetheless, the reform tide of war on waste did sweep the BAF, which will be elaborated in the section under 'Internal Forces,' and Bulgaria joined NATO and the EU on March 29, 2004, and January 1, 2007, respectively.

In 2010, Bulgaria reviewed its defense strategy in light of the changes in the political, economic and security climate and came up with the second White Paper on Defense. Despite the absence of immediate external threats to its sovereignty, Bulgaria is concerned with regional security risks due to "...the existence of frozen conflicts, the actions of terrorist groups, sharp ethnic and religious disputes, high levels of organized crime, corruption and the illegal trafficking of weapons, narcotics and humans."⁴¹ In the face of a global recession, Bulgaria requires a strategic rethink of its defense strategy and reform plans, as the country remains committed to the support of international UN, NATO and EU peace and security operations.

Bulgaria's White Paper 2010 calls for the reform tide of war on waste to continue in the medium term, with plans to reduce the BAF by about sixteen percent by 2014. This will result in the release of 5,700 military personnel and 1,300 civilian personnel over the next few years. The number of bases will also be reduced by 2014, with the proposal that the Air Force will operate from two instead of the current five bases, and the Navy will maintain a single headquarters, with two subordinate bases. Bulgaria's only submarine will be retired⁴² (See the Appendix for the proposed changes to the structures of the Bulgarian Land Forces, Air Force, and Navy). In addition, about 800 to 900 buildings, with a total floor area of 400,000 square meters, will be released from the existing 8,500

40. Ministry of Defense of the Republic of Bulgaria, "White Paper on Defence and Armed Forces of the Republic of Bulgaria," 3, accessed on November 3, 2010, http://www.md.government.bg/en/doc/misc/20101020_WP_ENG.pdf.

41. Ibid., 4.

42. Ibid., 10–19.

buildings for other public needs by the end of 2014.⁴³ Through the reform tide of war on waste, Bulgaria aims to free up financial resources to alleviate the massive obligations accumulated by the previous governments and to fund further transformation of the BAF.

Under the reform tide of liberation management, the White Paper advocated a major overhaul of the structure of the BAF, starting from the administration of the MOD and the organization of top commanding structures. This top-down approach is in contrast with past reform efforts, which always started from the bottom and faded as it moved to the top. The White Paper proposed that defense management adopt a programming approach based on capabilities moving forward, and the Bulgarian MOD functions be expanded to

...include the leading of projects related to defense and security; the analyses of needs in defense and operational capabilities; the development of plans and requirements for the development of the Armed Forces; the generation of strategic analyses; the formation of logistical provision policy for the Armed Forces, including securing the required resources for them; modernization and others.⁴⁴

At the operational level, the headquarters of the three services will be combined to create a single integrated structure—the Joint Forces Command, which is similar to the structure of other armed forces in NATO and the EU. The Joint Forces Command's responsibility is to focus on joint functional integration of the three services, namely in areas of joint intelligence, joint operations, joint logistics, and communications. The Joint Forces Command will also oversee the joint operations centre, which will function as a national crisis centre to deal with crises and operations both within and outside of the country.

To ensure a more efficient BAF, the White Paper proposed the following changes under the reform tide of scientific management. First, a territorial reserve, which will eventually make up eight percent of the total strength of the BAF by 2015, will be created to compensate for the proposed cuts in headcount. The reserve forces will be on a

43. Ministry of Defense of the Republic of Bulgaria, "White Paper on Defence and Armed Forces of the Republic of Bulgaria," 25.

44. Ibid., 19.

voluntary basis in peacetime, providing support in humanitarian and disaster relief operations. However, during wartime the reserve forces will be mandatory for military deployments by the Minister of Defense.

Second, the Bulgarian MOD aims to bring the defense expenditure on personnel, operations and maintenance, and investment from the current ratio of 75:24:1 to 60:25:15 by the end of 2014.⁴⁵ This will increase the per capita funding on military personnel by fifty percent, thus providing the BAF with modern equipment, as well as increasing the level of combat readiness and efficiency. It will also align Bulgaria's defense spending profile to the standards of the rest of the NATO member countries. However, this will be dependent on the success of the reform initiatives under the reform tide of war on waste as mentioned earlier, as there are other cost and social implications involved in downsizing exercises.

Third, Bulgaria will continue to take advantage of NATO's Security Investment Program to modernize its existing installations, which include military airports and ports as well as communication and information systems. In 2009, the U.S. upgraded one of the four Bulgarian military bases, which is used for multinational combined exercises, at a cost of USD 6.5 million. This was part of the bilateral agreement signed between Washington and Bulgaria in April 2006, which included plans to refurbish two air bases and a depot in Bulgaria.⁴⁶ The Bulgarian MOD also plans to increase its level of participation in international research and development projects in NATO and the EU to reap greater efficiency in investment spending. Given a fixed defense budget at 1.5% of

45. Ministry of Defense of the Republic of Bulgaria, "White Paper on Defence and Armed Forces of the Republic of Bulgaria," 13.

46. Jane's Military and Security Assessments, "Armed Forces: Bulgaria," posted October 1, 2010, accessed November 1, 2010.
http://www8.janes.com.libproxy.nps.edu/JDIC/JMSA/documentView.do?docId=/content1/janesdata/sent/balksu/bulgs100.htm@current&pageSelected=&keyword=&backPath=http://jmsa.janes.com/JDIC/JMSA&Prod_Name=BALK&activeNav=http://www8.janes.com/JDIC/JMSA.

GDP, it is likely that the Bulgarian modernization programs would be limited to equipment upgrades or donation of used equipment from allies in view of the huge outstanding obligations from past acquisition projects.⁴⁷

As highlighted by the BAF Defense Minister, “the White Paper answers one crucial question—what defence we need and what defence Bulgaria can afford.”⁴⁸ The next step for the Bulgarian MOD is to develop the “Armed Forces Development Plan” and the “Long Term Investment Plan” to implement the proposals. As mentioned in the White Paper, one critical success factor for the reform of the BAF is the ability of the Bulgarian government and the MOD in combating corruption and conflicts of interest to avoid the mistakes of previous governments.

C. INTERNAL FORCES

Internal forces have been present since the end of the Cold War, but no reform was carried out to reorient the structure and mission of the BAF from fighting traditional offensive wars to fulfilling a defensive role. Frequent changes in the Ministers of Defense, lack of political consensus over military goals and priorities, as well as the long time taken to formulate national security strategy documents were the key reasons that resulted in a BAF that was totally unprepared for integration with NATO. In addition, the capabilities of the BAF had degraded due to a limited budget. Between 1990 and 1996, the Bulgarian defense budget was around three percent of its GDP. In 1997–1998, it lowered to about 2.4% of GDP.⁴⁹

When the newly formed Bulgarian government started the Defense Reform Program in 1997, the BAF consisted of 107,000 personnel, which was the same level in the fall of 1991. On the other hand, Hungary had already reduced its forces from 120,000

47. Jane's Military and Security Assessments, “Procurement: Bulgaria,” posted October 4, 2010, accessed November 1, 2010.
http://www8.janes.com.libproxy.nps.edu/JDIC/JMSA/documentView.do?docId=/content1/janesdata/sent/balksu/bulgs150.htm@current&pageSelected=&keyword=&backPath=http://jmsa.janes.com/JDIC/JMSA&Prod_Name=BALK&activeNav=http://www8.janes.com/JDIC/JMSA.

48. Reuters, “Bulgaria Plans Big Military Job Cuts by 2014,” last modified September 16, 2010, accessed October 5, 2010,
http://www.cnn.com/id/39209459/Bulgaria_plans_big_military_job_cuts_by_2014.

49. World DataBank, “World Development Indicators.”

to 52,000; Poland from 405,000 to 218,000; and the Czech Republic from 130,000 to 58,000.⁵⁰ In contrast, Bulgaria was way behind its neighbors in its reforms on the way towards NATO membership. Besides being overstaffed, the BAF officer structure was out of proportion. The ratio of senior-to-junior officers was at about 1.5 to 1, with an officer corps consisting of about 3,300 lieutenants and senior lieutenants, 3,570 captains, 3,560 majors, 3,010 lieutenant colonels and 2,400 colonels.⁵¹ The officer corps was trying to keep the privileges that were inherited from the previous era.

The war on waste reform tide continued with the downsizing of the BAF under the Defense Reform Program, and the reform tides of scientific management and liberation management quickened. In 1996, the reshaping of the functional and organizational structure of the BAF to be similar to that of NATO was completed. In the same year, a new strategy for developing the English Language Training and Testing System for 2006–2010 was approved. This strategy sought to ensure that the training and testing system for developing the English proficiency of the BAF officers was in accordance with the NATO standard STANAG-6001.⁵² Bulgaria also took advantage of available U.S. programs and sent its BAF officers to U.S. international military educational training programs, military-to-military teams, and the George C. Marshall Center.

Having struggled to fulfill the criteria and eventually become a full member of NATO, the BAF faced new requirements. Plan 2004, which was approved in 1999, was only a short-term plan to reform the BAF and fulfill the necessary criteria for NATO membership. Hence, the BAF suddenly found itself lacking in many areas when participating in operations alongside NATO forces. First, the aging Soviet Union equipment used by the BAF was lacking in terms of interoperability and capability. The BAF had to bring their own ammunition and spares to repair their equipment when they participated in NATO missions. Second, most of the BAF officers were not proficient in

50. Simon, "Bulgaria and NATO: 7 Lost Years," 5.

51. Jeffrey Simon, "Transforming the Armed Forces of Central and East Europe," Strategic Forum, No. 172 (2000): 2.

52. Bureau for International Language Co-ordination, "Standardizing Language Training Programs in the Bulgarian Military Educational Institutions," accessed October 4, 2010, www.bilc.forces.gc.ca/conf/2006/pres-doc/Bulgaria.ppt.

English to efficiently interact with NATO forces. Third, the BAF officers had less operational experience and exposure with NATO in terms of structure, training, troop rotation, and planning. Bulgaria only started contributing forces in July 1997 by sending a 35-man engineering platoon to participate in the Stabilization Force (SFOR). In comparison, Hungary, Poland, the Czech Republic, and Romania had been working with the Implementation Force (IFOR)/SFOR since January 1996 with units at battalion strength. These internal forces called for the urgent transformation of the BAF into a modern mobile force capable of accomplishing their national defense mission, and also deployable abroad for NATO operations.

Plans for modernization of the BAF were laid out in the Plan for Organizational Development and Modernization of the Structures of the Armed Forces until 2015. However, after the preliminary stage of implementation, the Bulgarian MOD concluded that it would be impossible to fulfill the scale and priorities of transformation envisaged in Plan 2015 due to the following challenges:

- Insufficient defense resources to bridge the shortfall in capabilities to fulfill the assigned tasks and support the desired force size of the BAF.
- Many existing structures, which were based on the concept of a static territorial defense of the past, were inefficient and outdated.
- Lack of an integrated framework to coordinate the interaction and activities among the MOD, the General Staff, and the various services.
- Lack of modeling and simulation tools to facilitate the decision-making process. For example, the existing financial system does not allow for effective prioritization of programs to derive the optimal investment for the BAF.⁵³

Among the challenges highlighted, the key problem that the BAF faced was the lack of sufficient resources to fund the reform initiatives due to financial mismanagement and the economic burden of the global financial crisis. In 2004, the BAF secured budget

53. Simeon Nikolov, "The Ministry of Defense Armed Forces Transformation Management Policy," Information & Security, Vol. 23, No. 1 (2009): 12–13, accessed November 10, 2010, <http://infosec.procon.bg/v23/Nikolov.pdf>.

approval of USD one billion for investment in eleven top priority projects through 2010. However, many of the programs, such as the armored personnel carriers and wheeled vehicles, have been deferred or put on hold. This is because a huge proportion of the future funding for the BAF has already been committed to the acquisition of new multi-role fighters and new corvettes. In August 2010, the Bulgarian government had to draw on state reserves to pay for several contracts, such as transport helicopters and fixed-wing aircraft, armored utility vehicles, frigates and mine hunters, which ran into financial difficulties.⁵⁴ The problem of mismanagement of financial resources had become so severe that the Bulgarian MOD “had only BGN 1,000 in its bank account” when the new government took over the ministry in October 2009.⁵⁵

Thus, amendments were made to the Plan 2015 with the reprioritization of the capabilities based on the relevancy to the highly probable risks and threats. One of the focus areas was to increase spending on combat training, which was in the region of 1.6% to 2.12%. This was considerably low in comparison with NATO’s target of about ten percent. To accelerate the pace of transformation, the BAF established the following principles in their program management:

- Ensure the definition of requirements for modernization projects is in compliance with the necessary capabilities for the transformation of the BAF.
- Establish integrated project teams consisting of highly qualified personnel to manage the projects.
- Enforce procedures and requirements, such as law on public tenders, the regulation on its application, the ordinance on the terms and procedures for awarding special purpose public tenders, as part of project management.
- Conduct long-term finance planning to support the modernization process.
- Build and maintain long-term, mutually beneficial business relationships with defense industry companies in both national and international aspects.⁵⁶

54. Jane's Military and Security Assessments, “Procurement: Bulgaria.”

55. Sofia News Agency, “Bulgarian Government Sacrifices Reserve Funds for Troubled Arms Deals,” last modified August 4, 2010, accessed October 5, 2010, http://www.novinite.com/view_news.php?id=118842.

56. Nikolov, “The Ministry of Defense Armed Forces Transformation Management Policy,” 15–17.

In 2010, the Bulgarian MOD reviewed its defense strategy and released the White Paper 2010 in response to the above challenges.

D. SOCIO-ECONOMIC FORCES

Like many post-Soviet Eastern Bloc countries, Bulgaria found itself without any security cover with the fall of the Soviet Union and the end of the Warsaw Pact. In addition, Bulgaria lost the ability to acquire cheap fuel, spares and ammunition for its military, which resulted in rapid deterioration in its military equipment. With an economy that was heavily dependent on Russia, especially for imported oil and natural gas, Bulgaria faced tremendous geopolitical pressure from Russia.

Sandwiched between Turkey and Greece, Bulgaria also had concerns that geopolitical conflicts could spill over to its borders. In particular, Bulgaria feared that the Turkish ethnic minority group would create problems if a Greek-Turkish conflict arose. The Turkish ethnic minority group comprised about ten percent of the Bulgarian population and was represented by the Movement for Rights and Freedom party in parliament.⁵⁷ Joining NATO and the EU could provide the strategic solution to deal with these challenges, as Bulgaria would be part of a collective security and defense. In addition, Bulgaria could develop cooperation and agreements through the alliance with neighboring states such as Greece, Turkey, Romania and Macedonia to ensure stability in the Balkan region. The political elites and the public recognized the importance of joining NATO and the EU and supported the reforms, including those related to national security.

Another socio-economic force facing the BAF was the declining population in Bulgaria. As shown in Figure 2, the population size of Bulgaria has been on a downward trend due to a high death rate and a declining birth rate. The proportion of males in Bulgaria has also reduced from 49.3% in 1990 to 48.4% in 2008.⁵⁸ As a result, there were less available male conscripts to serve in the military. In addition, there is an increasing trend for countries to rely on a professional military force rather than conscripts to meet

57. Simon, "Bulgaria and NATO: 7 Lost Years," 2.

58. World DataBank, "World Development Indicators."

the requirements of the twenty-first century. This is because of the legislative restriction for deploying conscripts for international operations, as well as the difficulties to build up and sustain the competency of conscripts within the short conscription period. On January 1, 2008, Bulgaria abolished the conscription system and introduced a reform tide of liberation management to move the BAF towards a professional military force.

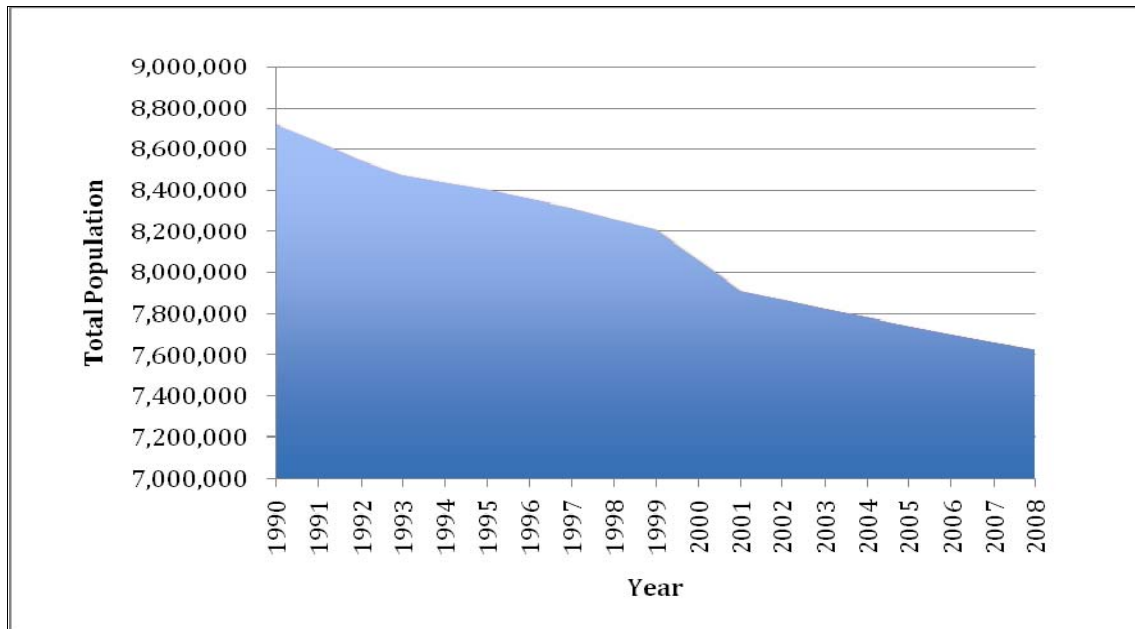


Figure 2. Population Trend in Bulgaria⁵⁹

E. CHANCE EVENTS

After the 1997 NATO Summit in Madrid, it was clear that Bulgaria could not meet the criteria for NATO membership, as only Poland, Hungary and the Czech Republic were invited for NATO's first round of enlargement.⁶⁰ However, the lack of a clear statement on the timeline for NATO membership at the Washington Summit in 1999 frustrated the Bulgarian population and political elites. In addition, the appeal for

59. World DataBank, "World Development Indicators."

60. Philip H. Gordon and James B. Steinberg. "NATO Enlargement: Moving Forward," Brookings Institution Policy Brief No. 90, last modified November 2001, accessed November 16, 2010, <http://www.brook.edu/comm/policybriefs/pb90.htm>.

cooperation by NATO in response to the Kosovo Crisis was in conflict with national interests. Bulgaria had already suffered enormous economic losses supporting the UN restrictive measures and the embargo against Yugoslavia from 1990–1998. A sociological poll by the Alfa Research agency revealed that the support for Bulgaria to join NATO had gone down from 60 percent before the Kosovo War to 46%.⁶¹

However, Bulgaria's pro-western President Petar Stoyanov and Prime Minister Ivan Kostov saw the opportunity as a chance to strengthen Bulgaria's bid to join NATO and the EU. The Bulgarian government fully supported the international efforts of NATO in the Kosovo Crisis by allowing NATO aircrafts to fly through Bulgaria's airspace to attack targets in Yugoslavia from the east. The BAF also participated in the SFOR in Bosnia and the Herzegovina and Kosovo Force (KFOR).

To speed up reform efforts, Bulgaria launched several reform tides. First, a new National Security Concept was issued in 1998. In the same year, U.S. President Clinton announced a new action plan for Southeast Europe. The plan consisted of intellectual, technical and financial support for the reform of the BAF, as well as concrete plans and projects for enhancing the security cooperation between Bulgaria and the U.S.⁶² Second, the Bulgarian government developed and approved the Military Doctrine and Plan 2004 in 1999. These documents were based on the U.S. Defense Reform (Kievenaar) Study, which subsequently served as a basis of the plan for Bulgaria's accession to NATO.⁶³ A NATO Membership Plan was also established in the same year. Third, Bulgaria initiated its first Strategic Defense Review (SDR) in January 2003. Twenty-one working groups and committees were established, with experts from the Presidency, National Assembly, non-governmental organizations, NATO member countries, and the USEUCOM engaged in these working groups. The SDR process provided a structured framework to define national defense priorities in Bulgaria and as a result, new documents such as the Long

61. Nina N. Nikolova, "The Republic of Bulgaria and NATO: Partnership and Integration," (Naval Postgraduate School, 2000), 42.

62. Action Plan for Southeastern Europe, announced by the White House on the Occasion of Bulgarian President Stoyanov's visit to the United States, 4, February 10, 1998.

63. Simon, "Transforming the Armed Forces of Central and East Europe," 2.

Term Vision for Development of the Troops and Forces 2015 and Plan for Organizational Development and Modernization of the Structures of the Armed Forces until 2015 were developed.

F. CHAPTER SUMMARY

Defense reform in Bulgaria only came about in the late 1990s after stabilization of the political environment. The desired outcome of defense reforms during this period was to ensure that Bulgaria fulfilled the criteria for Euro-Atlantic membership. Bulgaria eventually joined NATO and the EU in 2004 and 2007 respectively. Following that, the pace of defense reform slowed down due to the lack of budgetary support, as a result of financial mismanagement and the prolonged economic recession in the later half of the 2000s. Recognizing the changes in the political, economic and security climate, Bulgaria came up with the second White Paper on Defense in 2010 and is currently developing plans to transform the BAF to meet the security challenges in the twenty-first century.

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IV. DEFENSE REFORM IN CZECH REPUBLIC

A. COUNTRY PROFILE

The Czech Republic was the western part of the former Czechoslovakia during the Cold War. In the 1989 “Velvet Revolution,” the communist government in Czechoslovakia was overthrown in a non-violent strike across the country. After the breakup from the Soviet Union, the government of Czechoslovakia made a radical shift in its economic policies to lean towards the Western European countries so as to reduce export dependence from Russia. At the time, the government’s top priority was economic reforms to revamp the legislative policies and create a conducive environment to attract foreign investments. During this period, there was little discussion on defense reform, as the government’s attention was on building up the economy. Nonetheless, the political elites saw that incorporating into European collective defense structures was the most viable option for Czechoslovakia to meet the country’s defense needs. During President Vaclav Havel’s visit to NATO headquarters in March 1991, he welcomed NATO countries to cooperate and exchange information at different levels, especially in security matters with Czechoslovakia.⁶⁴ In February 1991, Czechoslovakia, Poland and Hungary formed the “Visegrád Group” to jointly address security and foreign policy issues, with the objective of furthering their integration with Western Europe.

Due to growing nationalist tensions, Czechoslovakia was peacefully divided into Czech and Slovak Republics on January 1, 1993. The Czech Republic government continued with its economic reforms and foreign policy, and in January 1994, the Czech Republic started the Partnership for Peace program with NATO. Two year later, the Czech Republic applied for EU membership. However, a currency crisis in May 1997 caused economic growth to fall from 4.0% in 1996 to -0.7% in 1997.⁶⁵ The collapse of banks and labor unrest, compounded by a catastrophic flood that affected the eastern part

64. Ladislav Holý, *The Little Czech and the Great Czech Nation*, (United Kingdom: Cambridge University Press, 1996), 139.

65. World DataBank, “World Development Indicators.”

of the country, brought about the biggest political crisis in the Czech Republic since the end of the Cold War. In response to the crisis, the government introduced two austerity packages and reduced government spending by about 1% of GDP in that year.⁶⁶ Subsequently, a restructuring agency was established and a revitalization program was adopted to accelerate legislative convergence with EU norms and the privatization of banks and utilities companies.

The Czech Republic economy recovered in 2000. The government started to renew its interest in the armed forces after an invitation for discussion in 1997 concerning NATO accession. Along with Hungary and Poland, the Czech Republic became a full member of NATO on March 12, 1999. The Czech Republic subsequently attained its EU membership on May 1, 2004. Among the former communist countries in Central and Eastern Europe, the Czech Republic has the one of the most developed and industrialized economies. Today, the Czech Republic is ranked 41st in the world in terms of GDP and the World Bank classifies the Czech Republic as a “developed country.”⁶⁷

B. POLITICAL FORCE

In the 1990s to early 2001, political forces were the key influence on defense reforms in the Czech Republic. With the fall of the Iron Curtain, the government’s attention was on economic reforms. Security and defense were considered lower priorities as the threat of an invasion with military force had diminished. With the establishment of troops ceiling and limits on the amount of conventional armaments for NATO and Warsaw states under the Treaty on Conventional Armed Forces in Paris in 1990, countries all across Europe and the U.S. started reducing defense spending and the size of their armed forces.

66. “Constitution Watch: A Country-by-Country Update on Constitutional Politics in Eastern Europe and the ex-USSR,” in *East European Constitution Review*, Vol. 6, No. 2 & 3 (1997), New York University Law School, accessed November 10, 2010, <http://www1.law.nyu.edu/eecr/vol6num2/constitutionwatch/czech.html>.

67. World DataBank, “World Development Indicators.”

The government of the Czech Republic took the same route and launched the reform tide of war on waste, which saw the active closure of excess garrisons and the reduction in the defense budget and military forces. The government's primary objective was not about the real reform of the armed forces but to save money to fund other economic initiatives. By 1997, the Army of the Czech Republic (ACR), formed after the dissolution of Czechoslovakia, had been reduced by 35% from 132,000 personnel in 1993 to about 86,000 personnel, and subsequently to about 78,600 in 1999.⁶⁸

During the same period, an attempt to implement the reform tide on watchful eyes was also observed. However, the outcome was less than satisfactory. In an attempt to assist the democratization process in the Czech Republic, the U.S. invested a lot of resources to engage the ACR, which included military exchanges, accepting thirty to fifty ACR officers annually for the International Military Education Training program, and sending a Military Education Team to conduct seminars and workshops in the Czech Republic. The ACR reciprocated the efforts and granted the Military Liaison Team to set up its office in the corridor of the Chief of General Staff.⁶⁹

Despite all efforts, the democratization process for the ACR was slow. First, President Václav Havel, who was in office from 1993 to 2003, "...is neither well-versed nor well staffed in national security affairs."⁷⁰ While President Havel had been a strong advocate for the Czech Republic to join NATO, he as the Commander-in-Chief showed little interest in the transformation of the ACR after the strategic goal was achieved. Second, the General Staff continued to dominate and influence the decision-making process in defense matters despite a civilian control system that was in place for oversight of the ACR. This was due to the lack of defense expertise from the civilian components of the national security structure, such as the parliamentary bodies, non-government

68. Jeffrey Simon, "Transforming the Armed Forces of Central and Eastern Europe," *Strategic Forum*, no 172 (2000): 3.

69. Marybeth P. Ulrich, *Democratizing Communist Militaries: The Cases of the Czech and Russian Armed Forces*, (United States: The University of Michigan Press, 1999), 155–168.

70. Marybeth P. Ulrich, "Developing Mature National Security Systems in Post-Communist States: The Czech Republic and Slovakia," in *Armed Forces & Society*, Vol. 28, No. 3 (2002): 407.

institutions, and the media.⁷¹ As a result, there were limited active oversight of the ACR and national debate on national security issues such as the reform of the ACR.

Until NATO accession, the ACR did not attract political interest, which made it possible for other parties to attain the post of Defense Minister from the ruling party. From 1993 to 2001, six defense ministers were appointed but none of them was able to make impactful changes to the ACR. Given their limited influence in the political process, the defense ministers were often unable to lobby sufficient support and resources to implement their reform initiatives. For instance, the implementation of the concept for ACR development in 1996, which was drafted in 1993, was delayed due to budget constraints.⁷² The constant change in defense ministers also made it difficult for the military leaders to forge a consensus on military strategy and goals. The military leadership in the General Staff perceived that the civilian-military leadership represented the interests of various political parties and were not enthusiastic about defense reforms. On the other hand, the civilian-military leadership viewed that the General Staff was not willing to carrying out reforms that "...threaten its institutional interests."⁷³

As the result of the above political forces, there was a decline in the level of combat readiness and the quality of personnel in the ACR, which later resurfaced as internal forces for defense reforms in the 2000s.

C. INTERNAL FORCES

Internal forces played an important role in driving the defense reforms that led to today's professional armed forces in the Czech Republic. After attaining NATO and EU membership in 1999 and 2004 respectively, the ACR found itself with increasing military operations abroad, especially after September 11, 2001. These include participation in the

71. Marybeth P. Ulrich, "Once In The Club: Continuing Reform In The Czech Military and NATO," East European Studies, accessed November 1, 2010, http://www.wilsoncenter.org/index.cfm?topic_id=1422&fuseaction=topics.publications&doc_id=18841&group_id=7427.

72. Zoltan Zold, "Professional Armed Forces New Trend in Europe: Transformation of the Czech Armed Forces," (Naval Postgraduate School, 2002), 18.

73. Ulrich, "Developing Mature National Security Systems in Post-Communist States: The Czech Republic and Slovakia," 409.

EUFOR Althea in Bosnia and Herzegovina, KFOR in Kosovo, ISAF in Afghanistan, SFOR in Iraq, AFOR in Albania and Turkey, as well as other humanitarian and peacekeeping operations in Macedonia, Pakistan, Central Africa and Lithuania.⁷⁴ For a military force that had not experienced any fundamental changes other than the reform tide on war waste since the end of the Cold War, the ACR faced challenges in coping with these operations.

First, the ACR's military equipment and concepts were outdated in the new security environment. The aging military equipment, inherited from the Soviet Union era, was incompatible with NATO forces and was becoming an increasing burden to the ACR. Also, its military doctrines and strategies, developed for traditional large-scale offensive warfare in the Cold War era, were not suited for multinational peacekeeping operations. Second, the ACR personnel did not have the competent skills to effectively interoperate with NATO forces. The decreased budget had led to ineffective preparation and insufficient training for the deployed forces. In 1993, the defense budget was at 2.4% of GDP. It was reduced to 2.0% in 1999, with a low of 1.7% during the financial crisis in 1997.⁷⁵ The biggest issue was that there was no system in place to train and test the English language proficiency of the ACR personnel. Third, the ACR was facing problems in recruiting and retaining military personnel, with the two reasons being poor prestige of the military and improving labor market conditions. Due to the lack of military housing, many ACR specialists had left the military after several years of commuting. Fourth, there existed double standards within the ACR. Personnel in NATO missions were highly appreciated and equipped with the best equipment, while the forces back home had to deal with poorer conditions and shortages in equipment.

74. Ministry of Defense and Armed Forces of the Czech Republic, "History of Czech Military Participation in Operations Abroad (1990–2010)," accessed November 1, 2010, <http://www.army.cz/scripts/detail.php?id=5717>.

75. World DataBank, "World Development Indicators."

Karel Pezl described the ACR's status as one that did not correspond to both the current common needs and long-term potentiality of the Czech Republic. It was inflexible, sometimes even incompetent with undefined internal responsibility.⁷⁶ In 2000 and early 2001, the Czech Republic received negative assessments from NATO and defense evaluators from the U.S. In particular, NATO took the Czech Republic to task for not fulfilling alliance commitments.⁷⁷

On May 14, 2001, the Czech Republic established the Center for Preparation of Czech Armed Forces Reform, marking the beginning of a series of reform tides. A plan to transform the ACR into a small, sustainable and responsive armed force by the end of 2010 was developed and approved by the government in the same year.⁷⁸ A summary of the key objectives for the different phases of the reform is as follows:

- i. Preparation phase (2001 to end of March 2002) – develop the documents for the “Concept of Build up the Professional ACR” and a “Concept of Mobilization of the ACR.”
- ii. Phase I (2002 to 2003) – restructure top management and military command bodies, base closures, and unit relocations.
- iii. Phase II (2004 to 2005) – complete the professionalization of NATO assigned forces. Start modernization projects for the first group of priorities.
- iv. Phase III (2006 to 2007) – achieve initial operation capabilities of professional armed forces, with the completion of modernization projects for the first group of priorities. Start modernization projects to increase combat capabilities of mechanized divisions.

76. Miroslav Lysina, “Security Policy of the Czech Republic in Light of the Integration into the European Union,” (Naval Postgraduate School, 2003), 13.

77. Marybeth P. Ulrich, “At Last? Achieving Radical Military Reform in the Czech Republic and Slovakia,” in *Public Administration and Management*, Vol. 10, No. 2 (2005): 210.

78. Univerzita Obrany, “Military Schools: Czech Republic,” accessed November 1, 2010, <http://www.vojenskaskola.cz/en/isms/Pages/history.aspx>.

- v. Final phase (2008 to 2010) - complete implementation of modernization projects to increase air force and air defense combat capabilities and achieve full operational capabilities.⁷⁹

In this reform plan, greater emphasis was on the reform tide of liberation management, although the four reform tides overlapped one another through these proposed key deliverables:

- Creation of a Training and Doctrine Command that will provide consistent training and doctrines across the forces.
- Establishment of a Joint Operations Center.
- Human resource models for standardized position descriptions, structure designs (manning requirements), compensation levels (linkage of pay to grades/ranks), advancement, recruiting goals, and marketing details.
- Training plans for the professional development of officers and non-commissioned officers. The training system was designed in corporation with the Training and Doctrine Command of the U.S. Army, Fort Monroe, Virginia.
- Activity-based costing model for decision-making, allocation, and management of resources.
- Modern garrisons that will meet the needs of a professional army. Wherever possible, units will be stationed close to training areas to make their training program as efficient as possible.
- A peacetime strength of 34,000 to 36,000 military personnel and less than 10,000 civilians (and a total wartime strength of 1.8 times the peacetime strength).⁸⁰

79. Zold, "Professional Armed Forces New Trend in Europe: Transformation of the Czech Armed Forces," 30.

80. Ministry of Defense and Armed Forces of the Czech Republic, "Assessment of the Reform of the Armed Forces of the Czech Republic," accessed October 13, 2010, <http://www.army.cz/scripts/detail.php?id=295>.

As described by Marie Vlachova, the implementation of defense reform was “no walk through a rose garden”.⁸¹ Faced with the economic toll of the catastrophic flood in 2002 and the global economic crisis, 103 projects were reduced by CZK 1.3 billion, and another 54 projects totaling CZK 631 million were cancelled in a re-evaluation exercise in 2003.⁸² The existing reform plan was also replaced by the “Conception for Building a Professional Army of the Czech Republic” in 2003, which reduced the total planned future spending by CZK 75.2 billion. In addition, the new reform plan specified that the future Czech Republic defense budget would no longer be based on a certain percentage of the GDP, but be set at a level that would be “consistent with successfully implementing the transformation programme.”⁸³ From 2006 onwards, the defense budget went below 1.9% of GDP as shown in Table 1.

81. Marie Vlachova, “Modernization of the Czech Armed Forces: No Walk through a Rose Garden,” (paper presented at the IUS on Armed Forces and Society Conference in Chicago, October 26, 2003), accessed November 12, 2010, <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.85.6692&rep=rep1&type=pdf>.

82. Ministry of Defense and Armed Forces of the Czech Republic, “Defense Budget 2004,” 15, accessed November 1, 2010, <http://www.army.cz/mo/doc/rozpocet2004eng.pdf>.

83. Jane's Military and Security Assessments, “Defence Procurement Budgets: Czech Republic,” posted March 18, 2009, accessed November 10, 2010, http://www8.janes.com.libproxy.nps.edu/JDIC/JMSA/documentView.do?docId=/content1/janesdata/binder/jdpb/jdpb051.htm@current&pageSelected=&keyword=&backPath=http://jmsa.janes.com/JDIC/JMSA&Prod_Name=JDPB&activeNav=http://www8.janes.com/JDIC/JMSA.

Year	Defense Expenditure (in billions CZK)	GDP (in billions CZK)	% of Defense Spending in terms of GDP	Change over Previous Year (in billions CZK)
2000	44,669.7	1,900.0	2.35%	
2001	44,977.5	2,139.0	2.10%	693.9
2002	48,924.1	2,192.0	2.23%	736.6
2003	53,193.9	2,405.0	2.21%	808.0
2004	52,481.2	2,757.0	1.90%	869.1
2005	58,445.0	2,920.0	2.00%	923.0
2006	55,358.4	3,222.0	1.72%	1,021.0
2007	54,948.8	3,535.0	1.55%	1,092.0
2008	49,827.1	3,689.0	1.35%	1,107.0
2009	51,823.9	3,627.0	1.43%	1,167.0
2010	48,867.1	3,689.0	1.32%	1,184.9

Table 1. Defense Spending Trend for ACR from 2000 to 2010⁸⁴

To continue with the modernization efforts given the limited resources, new projects related to improvement of operational capabilities could only be initiated in limited numbers. In addition, the ACR had significantly reduced the proportion of program financing for immovable infrastructure programs to fund armament programs. In 2005, 27.1 % and 69.7% of the program financing were for immovable infrastructure and armament programs, respectively. From 2008 onwards, the proportion of program financing for armament programs had gone up to 86%, with the immovable infrastructure at 9-11%. Nonetheless, the completion date for achieving the full operational capability has been deferred to 2018.⁸⁵

To lower operating costs, the Czech Republic and fourteen other NATO members⁸⁶ signed a memorandum of understanding under the Strategic Airlift Interim

84. Ministry of Defense and Armed Forces of the Czech Republic, "Defence Budget," accessed November 3, 2010, <http://www.army.cz/scripts/detail.php?id=5760>.

85. Jane's Military and Security Assessments, "Armed Forces: Czech Republic," posted September 16, 2010, accessed November 1, 2010. http://www8.janes.com.libproxy.nps.edu/JDIC/JMSA/documentView.do?docId=/content1/janesdata/sent/ceursu/czecs100.htm@current&pageSelected=&keyword=&backPath=http://jmsa.janes.com/JDIC/JMSA&Prod_Name=CEURS&activeNav=http://www8.janes.com/JDIC/JMSA.

86. Belgium, Canada, Poland, Denmark, France, Germany, Greece, Hungary, Luxembourg, the Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, the United Kingdom and two Partner nations (Finland and Sweden).

Solution at the June 2004 Istanbul Summit to share the cost of six An-124-100 transport aircraft permanently earmarked for NATO operations.⁸⁷ Subsequently, the Czech Republic signed a declaration of intent with eleven other EU members⁸⁸ on November 10, 2008, to pool aircrafts, such as the C-130 and the A-400M airlifter, and associated functions and services to establish the European Air Transport Fleet.⁸⁹ One notable accomplishment was that the ACR has achieved its downsizing goals. As of January 1, 2010, the total strength of the ACR was 32,153, including 9,017 civilians.⁹⁰

Faced with increasing pressure from the opposition to demand an end of the ACR's participation in international operations in light of poor economic conditions, the Czech Republic's defense budget of 1.32% of GDP in 2010, in comparison with 2.25% in 1999 when it joined NATO, has reached its historical low. The Czech Republic has already set up a team of fifteen security and international relations experts to work on a White Paper on Defense, which is targeted for release in spring 2011. However, some analysts have questioned the competence and composition of the team that is in charge of drafting the White Paper, in view that many of them have little or no security expertise. Nonetheless, the reform tides of war on waste and scientific management can be expected to continue in the medium term, given that a large part of the White Paper will be focusing on the reduction of force size and the improvement of the capability of the ACR to continue its participation in multinational operations.⁹¹

D. SOCIO-ECONOMIC FORCES

A socio-economic force facing the ACR was the changing demographics in the Czech Republic. First, the population growth rate had been relatively stagnant since the

87. North Atlantic Treaty Organization, "Strategic Airlift Interim Solution (SALIS)," accessed November 1, 2010, http://www.nato.int/cps/en/natolive/topics_50106.htm.

88. Belgium, France, Germany, Greece, Italy, Luxembourg, the Netherlands, Portugal, Romania, Slovakia and Spain.

89. *The Military Balance 2010*, International Institute for Strategic Studies. (London: Routledge, 2010), 108.

90. Ministry of Defense and Armed Forces of the Czech Republic, "Personnel Size at the Defence Department in 1993–2010," accessed November 1, 2010, <http://www.army.cz/scripts/detail.php?id=5770>.

91. Cat Contiguglia, "Czech Military Strategy Looks Toward U.S.," *The Prague Post*, last modified 8 September 2010, accessed October 17, 2010, <http://www.praguepost.com/news/5641-czech-military-strategy-looks-toward-u-s-.html>.

Czech Republic declared its independence in 1993. Between 1994 and 2004, the average population growth was at -0.1% per annum.⁹² The result was a smaller pool of males available for compulsory military service, and this was highlighted as a major concern in the documents for the reform of the ACR. Second, there was an increasing trend of young people opting for alternative civilian service over compulsory military service. The alternative civilian service option was introduced after the “Velvet Revolution” in 1989 to enable young people of specific religions and pacifistic beliefs to serve their country without the use of weapons. In 2000, only 15.5% of the college students reported for military service.⁹³ Third, there was increasing public pressure to shorten or perhaps eliminate the service period for conscripts. From an economic point of view, conscription is a social burden for a country and abolishing it would benefit the civilian labor market. Also, the conscription system does not meet the new requirements of the ACR, as conscripts cannot be deployed abroad for NATO or UN operations.

As these issues continue to manifest, a reform tide of liberation management is expected, and some initiatives under this reform tide have already been rolled out. In 2001, the Czech Republic announced a plan to transform the ACR to an all-volunteer force and reduce compulsory military service from 24 to 18 months. Three years later, compulsory military service was abolished and the ACR was transformed into a fully professional, all-volunteer military organization on December 31, 2004.

E. CHANCE EVENTS

The Czech Republic has a temperate continental climate. In spring, the varied temperatures and weather can bring about high water levels in the rivers from the melting snow, resulting in occasional flooding. In 1997, besides the financial crisis, the Czech Republic experienced heavy rains, which overfilled the rivers and caused massive floods in the southern part of the region. Within a 10-day period in July 1997, 50 people drowned, 80,000 evacuated, and 11,000 lost their homes. In addition, 51 road bridges, 15 railways bridges, and long sections of roads and railways were destroyed, with the

92. World DataBank, “World Development Indicators.”

93. Zold, “Professional Armed Forces New Trend in Europe: Transformation of the Czech Armed Forces,” 29.

damage amounting to USD 1.8 billion.⁹⁴ In August 2002, the country was once again devastated by another catastrophic flood. Seventeen people were killed and the damage amounted to USD 3.7 billion.⁹⁵

Historical events such as the occupation of the country by the Germans in World War II and subsequently by Warsaw Pact forces in 1968 had resulted in a poor relationship with society. However, through the floods of 1997 and 2002, the public image of the ACR had slowly improved. The Czechs remembered that no one helped them like the way that the military did during the floods. The ACR cooperated with the Czech Republic Police in evacuation and rescue operations, which involved many soldiers, engineers and helicopters. The ACR also demonstrated their professionalism by their outstanding performance in UN and NATO peacekeeping operations. In 1999, the ACR provided military assistance after the earthquake in Turkey.⁹⁶ Over time, the public and political elite saw the importance of the new role of the ACR and become more supportive of the defense reforms to build up its humanitarian and disaster relief operations capabilities.

F. CHAPTER SUMMARY

In the 1990s, the pace of defense reform was slow due to lack of political interest and defense expertise in the Czech Republic. During that period, the government's attention was on economic reforms, as the threat of a traditional military invasion by neighboring countries was almost non-existent. After joining NATO and the EU, the Czech Republic realized that the state of the ACR required a total transformation to cope with the increasing alliance commitments. The negative assessments from NATO and U.S. defense evaluators in the early 2000s served as a wakeup call for the Czech Republic to carry out its long overdue defense reforms. However, the government was

94. Alois Chlebek and Milan Jarabác, "Catastrophic Flooding in the Czech Republic Since 5 July 1997," in *The Extremes of the Extremes: Extraordinary Floods*. IAHS Publication, No. 271 (2002): 22, accessed October 16, 2010, http://iahs.info/redbooks/a271/iahs_271_019.pdf.

95. Markus Salzmann, "Floods Hit Germany, Poland and Czech Republic," *International Committee of the Fourth International*, accessed November 1, 2010, <http://www.wsws.org/articles/2010/aug2010/flod-a16.shtml>.

96. Zold, "Professional Armed Forces New Trend in Europe: Transformation of the Czech Armed Forces," 63.

forced to reduce defense spending to manage the deficits in the aftermath of several catastrophic floods and the prolonged global economic recession. The Czech Republic is currently working on a White Paper to review its national security strategy and the defense reform plans.

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V. DEFENSE REFORM IN THE REPUBLIC OF POLAND

A. COUNTRY PROFILE

Poland, known officially as the Republic of Poland, ended its communist regime on January 30, 1990. Beginning at the point of independence, there were strong political and public support for the strategic purposes and new directions of Polish foreign policy, which were primarily based on two key principles. First, Poland would develop peaceful bilateral relations with neighboring states through mutual cooperation. Second, Poland would gradually integrate with NATO and the EU. This support signaled an important assumption that NATO, as a collective defense structure, would be the main guaranty of security in Europe.⁹⁷ Hence, Poland's immediate priorities after the revolutions of 1989 were to end its Warsaw Pact obligations and establish new security agreements. In February 1991, Czechoslovakia, Poland, and Hungary formed the "Visegrád Group" to jointly address security and foreign policy issues as a bid to further their integration with Western Europe. In late 1991, Poland secured Russia's agreement to remove all Russian combat forces stationed in Poland by the end of 1992, with the rest of the support forces to be withdrawn by the end of 1993.⁹⁸

Fulfilling the criteria for membership in NATO and the EU thus became the next top priority for Poland. In 1994, Poland participated in the NATO Partnership for Peace program and embarked on a democratization campaign, which included redefining its civil-military relationship. However, frequent changes in the Polish parliament with instability within the political parties, coupled with the priority of economic reforms over defense requirements, resulted in slower than expected democratic reforms in the Polish Armed Forces (PAF) in the early 1990s.

97. Pawel Lepianka, "Determinants of Defense Budget Process in Post-Communist Poland: From the Warsaw Pact to the 21st Century," (Naval Postgraduate School, 2004), 12.

98. No author, "Poland: Transition and Reform," accessed October 18, 2010, <http://reference.allrefer.com/country-guide-study/poland/poland242.html>.

On March 12, 1999, Poland, along with the other two members of the Visegrád Group, joined NATO as a full member. With increasing obligations as a new member of the alliance, Poland started its second phase of defense reform to improve defense management and modernize the PAF, though progress was delayed in the early 2000s due to poor economic conditions. In 2009, Poland abolished conscription service and the PAF transformed into an all-volunteer professional force.

Poland's economy has also undergone significant transformation since the end of the Cold War. In 1990, the government introduced a shock therapy program to transition from a centrally planned economy to a free market economy. Initiatives that were implemented included the privatization of state-owned companies, elimination of price controls and subsidies, incentives for foreign investments, and tightening of monetary policy to combat inflation. On May 1, 2004, Poland became a member of the EU. Within a span of 19 years, Poland's GDP has jumped by almost 900% from USD 59 million in 1990 to USD 529 million in 2008.⁹⁹ Today, Poland is ranked 21st in the world in terms of GDP, and the World Bank classifies Poland as a "developed country."¹⁰⁰

B. POLITICAL FORCES

Political force is one of the main driving forces of defense reform in Poland. From 1989 to 1997, a reform tide of watchful eyes swept the PAF as "membership in NATO and WEU was recognized as strategic purpose of Poland in 90's."¹⁰¹ Defense reforms that were introduced focused on fulfilling the criteria for accession to NATO, which was establishing democratic standards of civilian control over the PAF and the defense budget. The democratization process started with the appointment of two civilian deputy ministers in the MOD in April 1990. In December 1991, the Polish parliament took back the responsibility of approving the defense budget and setting laws on defense matters from the military and appointed the first civilian Defense Minister. However, several problems started to surface.

99. World DataBank, "World Development Indicators."

100. Ibid.

101. Towpik Andrzej, *Security Policy of Poland 1989–2000*, (Scientist Press Scholar, Warsaw 2001), 576–578.

First, the budget approval process was inefficient due to the multitude of political interests, lack of expertise in defense matters, and the priority of economic reforms over military issues. These resulted in severe cuts in the defense budget between 1989 and 1993.¹⁰² Second, the unwillingness of the military to be subordinated to the inexperienced civilian authority created obstacles in the democratization process.¹⁰³ After the split of the MOD into two separate entities, namely the military General Staff and the civilian MOD, the General Staff restricted ministerial access to military resources and information. Hence, the General Staff became a semi-independent institution and had a huge influence on the decision-making process for defense policy matters.¹⁰⁴ Third, the Small Constitution in 1992 created a dual executive system where the Polish parliament and President shared the control of national defense as well as internal and foreign affairs.

The unclear line of authority over the PAF resulted in disputes between the President and parliament. Distrust between the ministry and the military started to grow, as the President established an informal political alliance with the Chief of the General Staff. It took the country several highly publicized political scandals, which will be elaborated under the section ‘Chance Events,’ to finally establish the structures and responsibilities between the MOD and the General Staff. To increase its expertise of the defense budget and exhibit better control of it, the Polish parliament set up the Budget Studies Division, and Poland had its first parliamentary debate on defense issues in February 1995. By 1999, Poland was ready to join NATO.

Having become a full member of NATO in 1999, Poland was obligated to contribute forces to the Allied Forces Central Europe, as well as increase defense spending to 2.2% of GDP and focus its defense spending on modernizing the PAF to

102. Wiesław Staskiewicz, “Budget Analysis For Parliaments: The Case of Poland,” (paper presented at the 68th IFLA Council and General Conference August 18–24, 2002, 2).

103. Frank E. Fields and Jack J. Jenson, “Building an Army in a Democracy in Hungary and Poland,” (Naval Postgraduate School, 1996), 107.

104. Agnieszka Gogolewska, “Democratic Civilian Control of the Military in Poland,” (paper presented at the SSR Consortium WG Meeting, November 4–5, 2002 in Garmisch, Germany,) 4.

achieve interoperability with NATO.¹⁰⁵ Within that year, Poland provided one division of its air combat squadron to NATO, and together with the contributions from Germany and Denmark, the Multinational Corps Northeast was formed. The next step for Poland was to reform its military.

In January 2000, the Polish parliament approved the “Security Strategy of the Polish Republic.” Following this, Poland attempted to launch the reform tides of scientific and liberation management with the “Programme of Restructuring and Technical Modernization of the Armed Forces of the Republic of Poland 2001–2006.” Minimum levels of defense spending were established for 2001–2006, and the ratio of expenditures on military equipment to total defense spending was planned to increase from around 8.3% in 2000 to 23% in 2006.

Due to revised economic conditions in the early 2000s, the Polish parliament had to make amendments to the program in October 2002. The minimum levels of defense expenditures were cancelled and the ratios of expenditures on arms equipment to total defense spending were revised downwards.¹⁰⁶ In addition, the assigned 1.95% of GDP for defense spending as defined in the “Programme of Restructuring and Technical Modernization of the Armed Forces of the Republic of Poland 2003–2008” was redefined to include both the defense budget and all other defense-related expenditures financed by other parts of the state budget. This signified further downward pressure in the overall level of defense spending in Poland. Also, the focus had been shifted to the reform tide of war on waste with its downsizing efforts and cost-cutting initiatives that were started by internal forces (see the next section titled ‘Internal Forces’). As a result, several

105. Oxford Analytica Daily Brief Service, “Eastern Europe: NATO Integration a Long-term Task,” last modified November 1, 2000, accessed November 24, 2010, <http://proquest.umi.com.libproxy.nps.edu/pqdweb?index=0&did=1687951681&SrchMode=2&sid=1&Fmt=3&VInst=PROD&VType=PQD&RQT=309&VName=PQD&TS=1290586166&clientId=11969>.

106. Lepianka, “Determinants of Defense Budget Process in Post-Communist Poland: From the Warsaw Pact to the 21st Century,” 59–60.

modernization programs were delayed, military supplies were depleted, and improvements in social conditions for servicemen were not carried out.¹⁰⁷

The September 11 incident in 2001 changed the global security environment and Poland soon found itself involved in more peacekeeping missions under NATO and the United Nations. In 2003, Poland participated in Operation Iraqi Freedom where Poland commanded the Multinational Force in south-central Iraq. At the height of the operation, 2,500 Polish soldiers were deployed in Iraq. Recognizing the increasing responsibilities and operations in Operation Iraqi Freedom, the Polish Prime Minister re-launched the reform tides. In October 2004, the Prime Minister directed the MOD to initiate the first permanent SDR since the independence of Poland in 1990. The objective of the SDR was to provide strategic directions for a future defense system that were coherent and consistent with national and alliance strategic intents, and more importantly were affordable based on the economic possibilities of Poland.¹⁰⁸ The result was the Defense Plan 2005 to 2010, which outlined the plan to increase professionalization to 65 percent of the defense force by 2010. Several key reform initiatives were rolled out primarily under the reform tides of scientific and liberation management.

In the area of personnel reform, three new professional corps, namely the professional private corps, non-commissioned officer corps and officer corps, had already been established under the “Professional Military Career Law” in 2004. Through the reform tide of liberation management, new education and training centers were set up for each of the corps, and the soldiers’ evaluation system was redesigned to be based on knowledge, skills, and practical achievements. A structured career planning process was also put in place for overseas graduates, especially for those that had undergone training

107. Jane's Military and Security Assessments, “Defence Procurement Budgets: Poland,” posted December 9, 2009, accessed November 1, 2010. http://www8.janes.com.libproxy.nps.edu/JDIC/JMSA/documentView.do?docId=/content1/janesdata/binder/jdpb/jdpb164.htm@current&pageSelected=&keyword=&backPath=http://jmsa.janes.com/JDIC/JMSA&Prod_Name=JDPB&activeNav=http://www8.janes.com/JDIC/JMSA.

108. Marek Tomaszewski, “Civil Military Relations and the Defense Reform in Poland,” (U.S. Army War College, 2006, 7).

in western military institutions.¹⁰⁹ The conscription service was suspended in 2009 and a new National Reserve Force of 20,000 personnel would be created in 2010.

With increasing deployment to the Afghanistan International Security Assistance Force (ISAF), the PAF had to accelerate the reform tide of liberation management and increase the investment budget from 13.2% of the defense budget in 2001 to 23.3% in 2007.¹¹⁰ Through technical upgrades and equipment replacement, the PAF has built up its expeditionary and civil-military co-operation capabilities with its modern fleet of armored tanks, aircrafts, and naval vessels. One major acquisition program was the F-16 Program, which was funded outside the defense budget from a designated reserve. The PAF have also invested resources into integration and networking of command and control (C2) assets to enhance its effectiveness. Recent acquisition of multi-band and HF tactical radios for Poland's Land and Special Operations Command Forces has provided the PAF with secure communications to interoperate with NATO forces. Ongoing modernization projects include the deployment of a new air defense missile system by 2012, replacement of the helicopter fleet by 2018, and other procurement projects such as vehicle simulators, C4ISR systems, spike anti-tank guided missile launchers and Rosomak armored modular vehicles.¹¹¹

In May 2009, the Minister of Defense approved a new structure for the PAF that was laid out in the 2009–2012 Defense Plan. The Defense Plan will encompass the reform tides of liberation management and scientific management to transform the PAF into a smaller but “modern, digitized and networked organization, capable of conducting both effective homeland defense and being a reliable ally participating in international missions modern and flexible military force.” This will be achieved by increasing the number of combat-orientated units of the PAF from 53% to 62% over the next few years. There will also be lesser garrisons, down from the current 126 to 99 by the end of 2018,

109. Tomaszycski, “Civil Military Relations and the Defense Reform in Poland,” 8–19.

110. Jane's Military and Security Assessments, “Defence Procurement Budgets: Poland.”

111. Jaroslaw Adamowski, “Poland's Defense Budget Rises, With Emphasis on Modernization,” Defense News, last modified September 20, 2010, accessed October 18, 2010, <http://www.defensenews.com/story.php?i=4784181>.

with most of them concentrated around key training areas and out of large cities. In addition, the amount of modernized equipment will be up from 26% in August 2009 to 35% at the end of 2012.¹¹²

This is a relatively ambitious plan considering the uncertain economic conditions and increasing new requirements. Poland was the lead nation in the EU Battlegroup 2010, and will be the lead nation again for the EU Weimar Battlegroup, which is scheduled to turn operational in the first half of 2013. Poland is also currently in the consultation phase with the Czech Republic, Hungary, Slovakia and Ukraine to form the Vyshegrad Battle Group.¹¹³ In addition, the rising cost of recent operations, especially the deployment to the Afghanistan ISAF, has threatened to disrupt the modernization process. Annually, Poland spends about USD 1 billion, which constitutes about 10 percent of its defense budget, to finance the 2,600-member contingent in the Afghanistan ISAF. Polish President Bronislaw Komorowski highlighted that “the costs of out-of-area operations are so significant, that they are having an effect on the process of technical modernization of the armed forces.”¹¹⁴ Acknowledging these constraints in the midst of a changing security environment, the PAF is currently developing long-term modernization plans to fulfill the “Vision of the PAF 2030,” which was evolved from the 2009/2010 SDR.¹¹⁵ The national security strategy, adopted since 2003, is also currently under review and will be completed in 2011.¹¹⁶

C. INTERNAL FORCES

The first internal problem that the PAF faced in the early post-communist years was the shortage of critical military spares and materials. During the Warsaw Pact era, Poland acquired military equipment and supplies from the Soviet Union at low prices due

112. Jane's Military and Security Assessments, “Armed Forces: Poland.”

113. Ibid.

114. Slobodan Lekic, “Polish Leader: War Costs Slow Army's Modernization,” Associated Press, last modified September 1, 2010, accessed October 18, 2010, http://www.boston.com/news/world/europe/articles/2010/09/01/polish_leader_war_costs_slow_armys_modernization/.

115. Department of Transformation Ministry of National Defense, “Polish Armed Forces Vision – 2030,” accessed October 18, 2010, <http://www.dt.wp.mil.pl/en/78.html>.

116. Jane's Military and Security Assessments, “Armed Forces: Poland.”

to its strategic position in the alliance. This preferential treatment ended when the Cold War was over. In 1989, the Soviet Union broke its long-term defense contracts with Poland, while at the same time raised prices to world market levels. Shortly thereafter, with the German reunification, Poland's naval cooperation contracts with East Germany also ended. As a result, there was shortage of military components and the PAF had to resort to cannibalization to maintain its equipment. At the same time, Poland was urgently looking for a source of conventional warheads, as Soviet forces had removed the nuclear warheads from Scud and other Warsaw Pact missile batteries when they withdrew from Polish soil.¹¹⁷ The situation was made worse with the huge defense spending cuts by the Polish government.

Radek Sikorski described the 1990s as “probably the most demoralizing period in the recent history of the Polish army.”¹¹⁸ Despite constant assurance from the government to fund the modernization of the PAF, the outcome was more budget reductions. In 1990, the Polish defense budget was at 2.6% of GDP. By 1999, it had fallen to below 2 percent of GDP, reaching a low of 1.8% in 2000.¹¹⁹ In addition, the need to fund a huge military force “inflated by the communist legacy of redundant bureaucracy filled with senior leaders” left little funds for training and maintenance.¹²⁰ In the first part of 1992, more than 80 percent of the defense budget went to personnel costs. With an increasing inventory of obsolete equipment and a demoralized force, the PAF was unable to perform any operations outside its borders. This became a grave concern for the government, as Poland would not be able to establish any military cooperation and advance its integration with NATO.

In September 1997, the “Programme for Integration with NATO and Modernization of the Polish Armed Forces 1998–2012” was approved. A reform tide of war on waste was launched to reduce force size and excess inventory in order to fund

117. Globalsecurity, “Poland: Military Transition from Communism,” accessed October 18, 2010, <http://www.globalsecurity.org/military/world/europe/pl-budget-transition.htm>.

118. Radek Sikorski, “Defense Reform in Europe: The Case of Poland,” AEI Outlook Series (2005), accessed November 14, 2010, <http://www.aei.org/outlook/22985>.

119. World DataBank, “World Development Indicators.”

120. Globalsecurity, “Poland: Military Transition from Communism.”

new investment programs. During the economic downturn in the early 2000s, the reform tide of war on waste was intensified under the “Programme of Restructuring and Technical Modernization of the Armed Forces of the Republic of Poland 2001–2006.” This resulted in the retirement of over 800 tanks, 450 artillery guns, 60 aircrafts and 2,900 transport vehicles,¹²¹ as well as the conversion of thirty-one military installations to civilian installations and the consolidation of fourteen training schools into three academies.¹²² In 1999, the PAF had reduced its force size from about 400,000 personnel in 1989 to about 285,000 personnel.¹²³ As of January 2010, there were 100,412 personnel in the PAF.¹²⁴

To address the concerns related to the lack of an alternative source of arms supplies and high procurement costs, Poland launched a reform tide of scientific management by introducing a program in 1992 to develop the domestic defense industry. Defense industry plants, which had produced Soviet-compatible armaments, established joint ventures and production projects with Western firms to develop and produce critical military equipment.¹²⁵ Today, much of the PAF equipment such as the KTO Rosomak armored vehicles, WR-40 Langusta self-propelled multiple rocket launchers, PZL helicopters and aircraft trainers are produced domestically.

Poland has also entered into joint procurement agreements with its allied partners to enable military capabilities at a lower cost. At the June 2004 Istanbul Summit, Poland and fourteen other NATO members¹²⁶ signed a memorandum of understanding under the Strategic Airlift Interim Solution to earmark six An-124-100 transport aircraft permanently for NATO operations.¹²⁷ On October 1, 2008, Poland together with nine

121. Jane's Military and Security Assessments, “Defence Procurement Budgets: Poland.”

122. No author, “Poland: Transition and Reform.”

123. Simon, “Transforming the Armed Forces of Central and Eastern Europe,” 3.

124. Ministry of National Defense Republic of Poland, “Human Resource,” accessed October 18, 2010, http://mon.gov.pl/pl/strona/47/LG_54_55.

125. Federal Research Division of the Library of Congress, “Country Studies Series,” accessed October 18, 2010, <http://www.country-data.com/cgi-bin/query/r-10814.html>.

126. Belgium, Canada, the Czech Republic, Denmark, France, Germany, Greece, Hungary, Luxembourg, the Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, the United Kingdom and two Partner nations (Finland and Sweden).

127. North Atlantic Treaty Organization, “Strategic Airlift Interim Solution (SALIS).”

other NATO members,¹²⁸ as well as Finland and Sweden, signed a Strategic Airlift Capability agreement to pool resources to purchase and operate three C-17 transport aircrafts.¹²⁹ Through these initiatives, Poland was able to build up its required military capabilities and modernize the PAF at a lower cost.

D. SOCIO-ECONOMIC FORCES

After the fall of communism, Poland was faced with the challenge of putting in place controls to manage the huge military force stationed in Poland. During the Cold War, Poland had the largest armed forces in the Eastern Bloc after the Soviet Union.¹³⁰ The 400,000-strong military force had strong Soviet influence on its values and many officers had strong affiliation with the communist party. During the communist regime, membership in the communist party was an “informal obligation” for all senior officers to achieve a successful career.¹³¹

A reform tide of watchful eyes was thus quickly introduced to depoliticize and redefine the values in the PAF. First, all potentially dangerous elements of communist influence in the PAF were disbanded. In 1989, about 68 military units were disbanded and another 147 units were reorganized,¹³² although these efforts could also be attributed to the need for arms reduction under the Treaty on Conventional Armed Forces. Second, the government amended the law on professional military service from 1970 to prohibit military personnel from belonging to any political party, association, or trade union. In addition, active duty personnel could not be members of the national or local parliaments

128. Bulgaria, Estonia, Hungary, Lithuania, the Netherlands, Norway, Romania, Slovenia and the United States.

129. International Institute for Strategic Studies, *The Military Balance 2010*, 108.

130. United Press International, “Poland Reducing Size of Military, Cutting Spending,” *Los Angeles Times*, last modified June 4, 1989, accessed October 18, 2010, http://articles.latimes.com/1989-01-04/news/mn-146_1_military-spending.

131. Marek Madej, “Evolution of Democratic Civilian Control of Armed Forces in Poland: An Overview,” (conference Paper at the Geneva Centre for the Democratic Control of Armed Forces, January 2004): 4.

132. No author, “Poland: Armed Services,” assessed October 18, 2010, <http://reference.allrefer.com/country-guide-study/poland/poland256.html>.

and similar public institutions.¹³³ Third, the PAF allowed the freedom of religion practices in the military, which was discouraged during the communist regime.¹³⁴

E. CHANCE EVENTS

One of the chance events that influenced the defense reforms in Poland was the “Drawsko affair” in September 1994. At the official dinner in the Drawsko training grounds, the high-ranking officers pledged their allegiance to the Chief of General Staff and requested the civilian Minister of Defense to step down in the presence of the President and the Minister. Despite parliamentary investigation and condemnation of military interference in politics by the politicians, the Minister of Defense was forced into retirement.¹³⁵ The incident eventually resulted in the collapse of the government and within the next few years, a reform tide of watchful eyes swept the country.

On December 14, 1995, the Polish parliament passed the Bill on the Office of Minister of Defense. The new law segregated the competencies and responsibilities between the Minister of Defense and the Chief of General Staff. In addition, the General Staff became part of the MOD, and the Chief of General Staff was subordinated to the Prime Minister and Minister of Defense.¹³⁶ In 1997, the Small Constitution of 1992 was replaced by the Big Constitution, which decreed that the PAF shall observe neutrality regarding political matters and be subjected to civilian control. In addition, the President’s powers had been limited, although he remained the Supreme Commander-in-Chief of the PAF. During peacetime, the President’s duties would be discharged through the Minister of Defense.¹³⁷ This marked the completion of the democratic transformation of national defense in Poland.

133. Lepianka, “Determinants of Defense Budget Process in Post-Communist Poland: From the Warsaw Pact to the 21st Century,” 11.

134. No author, “Poland: Transition and Reform.”

135. Agnieszka Gogolewska, “Security Sector Reform: Does It Work for Poland?,” DCAF, 2, accessed October 23, 2010, <http://www.dcaf.ch/publications/kms/details.cfm?lng=en&id=20069&nav1=4>.

136. Gogolewska, “Democratic Civilian Control of the Military in Poland.” 4.

137. Lepianka, “Determinants of Defense Budget Process in Post-Communist Poland: From the Warsaw Pact to the 21st Century,” 21.

The September 11th incident in 2001 was another chance event that had significant influence on the defense reforms in Poland. Prior to 2001, the responsibilities of the Ministry of Internal Affairs and MOD were clearly divided into internal and external security, respectively. As per most new democracies, Poland put in place constitutions to ensure that the PAF would not be allowed to perform internal policing roles.¹³⁸ After the September 11th incident in 2001, Poland came to the realization that a silo approach to national security would not be relevant in the new environment.

In July 2003, Poland approved the national security strategy that provided an integrated approach to responding to new threats such as international terrorism and proliferation of weapons of mass destruction. The Polish parliament blurred the line of distinction between an external and internal security matter as it redefined the organizational framework for inter-agency security cooperation in responding to asymmetric threats or civilian crises. In addition, the national security strategy reiterated the importance of Poland's role in international collaboration, especially with NATO.¹³⁹ In 2003, Poland participated in the U.S.-led Operation Iraqi Freedom, which subsequently became a political force for defense reforms.

April 10, 2010 was a tragic day for the PAF. The crash of a Polish Air Force Tu-154 aircraft in Western Russia killed all 96 people onboard who were travelling to attend an event to commemorate the Katyn massacre of Polish officers during World War II. Among the list of casualties included the President, Commander-in-Chief of the PAF, Chief of General Staff, Chief of Joint Operational Headquarters, Commanders of the three armed services, Special Forces Commander, the Warsaw Garrison Commander, Deputy Defense Minister for International Affairs, two former defense ministers, and a number of retired generals. The sudden loss of the country's top military and political leaders would have an impact on the ongoing transformation in the PAF. In particular, analysts viewed that the Polish Land Forces would be affected the most, as its

138. Gogolewska, "Security Sector Reform: Does It Work for Poland?," 10.

139. Ministry of National Defense Republic of Poland, "The National Security Strategy of the Republic of Poland," Jul 22, 2003, Military Education Library Research Network, accessed October 20, 2010, <http://merln.ndu.edu/whitepapers/Poland-2003.pdf>.

commander was in the post for six months before the accident and had recently finalized the definition phase for the major restructuring of the Land Forces.¹⁴⁰

F. CHAPTER SUMMARY

Since its independence, Poland has maintained clear directions on its foreign policy and national security strategy—to integrate with the Euro-Atlantic alliances. Defense reforms in the 1990s were thus focused on democratization of the PAF to fulfill the criteria for accession to NATO and the EU. Despite some challenges in reform efforts, Poland met the membership requirements and joined NATO and the EU in 1999 and 2004 respectively. Having become a full member of the Euro-Atlantic alliances, Poland launched a new phase of defense reform to transform the PAF to deal with increasing international peacekeeping operations and new security threats after the 9-11 incident. However, the rising cost of operations coupled with a prolonged global economic recession forced Poland to review its national security strategy and the long-term modernization plans for the PAF.

140. Jane's Military and Security Assessments, "Armed Forces: Poland."

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VI. DEFENSE REFORM IN UKRAINE

A. COUNTRY PROFILE

Following the dissolution of the Soviet Union, Ukraine became an independent state on August 24, 1991. This marked the beginning of a difficult period for the Ukrainians, as the progress of transition from a centrally planned economy to a market economy was disrupted by the legacy of state control and endemic corruption. The government liberalized prices to combat widespread product shortages, while at the same time it implemented loose monetary policies to subsidize state-run industries and agriculture. This resulted in hyperinflation in the early 1990s. The lack of structural economic reform and continued heavy dependence on Russia to meet its energy needs have also made Ukraine vulnerable to external shocks. Prices finally stabilized after the introduction of the new currency—the Hryvnia in 1996.

In Ukraine's first six years of independence, other than downsizing efforts, there were hardly any signs of defense reforms. The period between 1996 and 2004 was described as the second phase of defense reform in Ukraine. The government called for changes in the Ukrainian Armed Forces (UAF) to better meet the requirements of NATO's Partnership for Peace program, which was started in February 1994. However, many analysts described these changes as lip service to appease the Western powers, as the plans for reform were not being carried out.¹⁴¹ In 2004, a peaceful "Orange Revolution" rocked the nation due to a rigged presidential election. The new government, elected under an internationally monitored vote, launched the third phase of defense reforms, which finally brought about real changes to the national defense in Ukraine. Unfortunately, the reform progress was disrupted by constant disputes by political leadership and decreasing budgetary support towards the end of 2000.

141. Ben Lombardi, Ukrainian Armed Forces: Defense Expenditure and Military Reform, *The Journal of Slavic Military Studies*, Vol. 14, No. 3, September 2001, 33.

Between 2000 and 2007, Ukraine recorded a 7.5% average annual GDP growth rate due to strong export-based growth and domestic demand.¹⁴² In the following two years, Ukraine was badly affected by the global economic crisis. In November 2008, Ukraine had to take a \$16.4 billion Stand-By Arrangement from the International Monetary Fund, and the economy eventually recovered in the first quarter of 2010. Ukraine is currently ranked 54th in the world in terms of GDP and the World Bank classifies it as a “middle-income economy.”¹⁴³

B. POLITICAL FORCES

Since its independence in 1991, Ukraine has faced a geopolitical triangle dilemma on whether to be part of the Euro-Atlantic, Eurasia, or remain as a neutral state.¹⁴⁴ As the second largest country in Europe located west of Russia, analysts view Ukraine as the one of the linchpins of stability in Europe. As Zbigniew Brzezinski commented, “It cannot be stressed strongly enough that without Ukraine, Russia ceases to be an empire, but with Ukraine suborned and then subordinated, Russia automatically becomes an empire.”¹⁴⁵

Ukraine thus faces intense economic and political pressure from Russia. First, the Ukrainian economy depends solely on Russia to meet about three-fourths of its annual gas consumption and 100% of its nuclear fuel needs.¹⁴⁶ Second, the questioning of Ukraine’s rights to Crimea and insisting control over the port in Sevastopol signaled Russia’s unwillingness to recognize Ukraine’s borders in the initial years after the Cold War. Perhaps for these reasons, Ukraine, together with Russia and Belarus, co-founded the Commonwealth of Independent States (CIS) on December 8, 1991.

142. World DataBank, “World Development Indicators.”

143. Ibid.

144. Jeffrey Simon, “Ukraine Against Herself: To be Euro-Atlantic, Eurasia, or Neutral?,” *Strategic Forum*, No. 238 (2009): 1.

145. Zbigniew Brzezinski, “The Premature Partnership,” in *Foreign Affairs*, March/April 1994, 80.

146. The World Factbook, “Europe: Ukraine,” last modified November 9, 2010, accessed November 23, 2010, <https://www.cia.gov/library/publications/the-world-factbook/geos/up.html>.

On the other hand, some political elites in Ukraine viewed integration with the Euro-Atlantic as a means to provide the required security coverage within a collective defense structure and reduce Ukraine's dependence on Russia. In February 1994, Ukraine became the first CIS country to join NATO's Partnership for Peace program. Ukraine participated in its first NATO peacekeeping operations by deploying 400 mechanized troops to Bosnia in December 1995. Ukraine's vague directions in foreign policy and defense strategy were reflected in its first national security document—"The Foundations of Ukraine's Foreign Policy" in 1993.¹⁴⁷ Due to a lack of strategic guidance, Ukraine did not introduce any major defense reform in the first half of the 1990s, except for the downsizing and minimal depoliticizing of the UAF. These will be elaborated in the latter sections under 'Internal Forces' and 'Socio-Economic Forces,' respectively.

By 1996, the UAF was described as a "bloated, grossly underfinanced establishment of 400,000, lacking an authoritative, coherent and realistic scheme of transformation and development."¹⁴⁸ Recognizing that the state of the UAF was becoming an obstacle to the integration with the Euro-Atlantic, as well as the increasing criticisms from Western states on the lack of efforts to improve the UAF's interoperability with NATO forces, the political elites and the media in Ukraine called for defense reforms. From 1996 to 2004, Ukraine entered into a long period of rationalizing its defense reforms.

On June 28, 1996, the Ukrainian parliament adopted the Ukrainian Constitution, which established that the President is the Supreme Commander of the UAF, as well as defined the role of the UAF and basic military duties of the citizens. Six months later, the national security concept, which took a joint approach to national security, was approved. Following that, the "State Programme of Armed Forces Reform and Development 2001–2005" was developed to translate the national security concept into a reality. The State Program mandated civil-democratic control of the UAF, as well as the transformation of the UAF into a smaller force to deal with local war and small intensity conflicts. In June

147. Sergiy Maslovskyi, "National Security Issues and Defense Reform in Ukraine," (U.S. Army War College, 2007, 8).

148. Sergiy Gerasymchuk, "The Case of Ukraine: Legislative Provisions," Peace Research Institute Frankfurt Research Paper No. 1/7 (2007): 6.

2004, the military doctrine of Ukraine was also approved.¹⁴⁹ Between 2001 and 2005, a total of thirty-seven laws were passed to prepare for the operation and reform of the UAF. Due to unrealistic targets and lack of financial support, the State Program was later supplemented by other plans.¹⁵⁰ Nonetheless, these national security documents and laws had put in place the basic building blocks for the next phase of defense reform.

During the same period, Ukraine received sustainable international engagement and support through the NATO-Ukraine cooperation. In 1997, the Joint Working Group on Defense Reform was established under the “Charter on a NATO-Ukraine Distinctive Partnership” to focus on issues such as civil military relations, defense planning and management, and reform of the UAF. In 2000, Ukraine ratified the Partnership for Peace Status of Forces Agreement. In the following year, Ukraine signed the Exchange of Classified Information Agreement and offered the Yavoriv Training Center in Western Ukraine for NATO exercises.¹⁵¹ In the same year, Ukraine participated in NATO’s Planning and Review Process and submitted its State Program 2001–2005 for NATO’s evaluation. Through the Distinctive Partnership, cooperation between NATO and Ukraine had moved from the formal exchange of ideas to a structured process of review and consultation.¹⁵²

In May 2002, Ukraine officially declared its intention to join NATO for the first time in history. Despite strained relations over Ukraine’s alleged transfer of defense equipment to Iraq, the NATO-Ukraine Action Plan was officially drawn up in consultation with NATO and approved by the NATO Council in November 2002. Cooperation intensified with the set up of the NATO Liaison Office in Kyiv. Ukraine was also regularly invited to participate in NATO training courses and joint exercises. With the establishment of a new system of defense planning based on NATO standards,

149. Gerasymchuk, “The Case of Ukraine: Legislative Provisions,” 4–8.

150. James Sherr, “Ukraine: The Pursuit of Defence Reform in an Unfavourable Context,” *Central & Eastern Europe Series* 04/08 (2004): 6, accessed November 14, 2010, <http://www.globalsecurity.org/military/library/report/2004/04-26-JGS.pdf>.

151. Leonid I. Polyakov, “U.S.-Ukraine Military Relations and the Value of Interoperability,” *Strategic Studies Institute* (2004): 10.

152. Sherr, “Ukraine: The Pursuit of Defence Reform in an Unfavourable Context,” 11.

Ukraine conducted its first formal defense review in 2003–2004. The review findings and recommendations were captured in the Strategic Defense Bulletin and presented to NATO at the 2004 Istanbul Summit.¹⁵³

The real defense reform finally reached the shores of Ukraine after the “Orange Revolution” in 2004 (refer to the section named ‘Chance Events’). At the end of 2005, a series of reform tides was launched with the “State Programme of Development of Armed Forces 2006–2011.” Unlike previous efforts, which were very much piecemeal and incremental, the UAF had concrete reform plans with clear strategic goals to carry out its long overdue reforms. However, the progress was less than desired due to several reasons.

First, there were insufficient resources to achieve the goals laid out in the State Program. Since 2006, the UAF had not received the minimum funding required to fulfill the plans as prescribed in the State Program. In addition, the UAF had failed to receive the full funding as stipulated in the state budget. As shown in Table 2, the UAF had only received 82% of the total approved funding of UAH 39.4 billion for 2006–2009. Even if the Ukrainian government decides to increase the future budget to cover the 18% (or UAH 7.1 billion) shortfall for the last four years, the UAF would have only received 68% of the minimum funding required. Given an inflation rate of 9.1% to 25.2%, the actual funding was simply insufficient.

153. Simon, “Ukraine Against Herself: To be Euro-Atlantic, Eurasia, or Neutral?” 4.

Note: All figures are in billion UAH, unless otherwise stated.

	2006	2007	2008	2009	Total
Minimum funding required as defined by MOD	9.9	13.1	17.3	17.5	57.8
Approved funding as stipulated in the state budget (<i>a</i>)	7.6	9.1	9.9	12.8	39.4
Actual funding (<i>b</i>)	6.4	8.1	9.5	8.3	32.3
% funded (<i>b/a</i>)	84.2%	88.4%	96.2%	65.1%	82.0%
Shortfall (<i>a-b</i>)	1.2	1.1	0.4	4.5	7.1
Changes in actual funding	5.6%	26.1%	18.1%	-12.5%	
Changes in inflation rate	9.1%	12.8%	25.2%	15.9%	

Table 2. Defense Funding for the Ukrainian Armed Forces from 2006 to 2009¹⁵⁴

The underfunding not only delayed the transformation progress but also affected the operations and capabilities of the UAF severely. In 2006, the UAF could only finance 50 percent of its planned combat training activities, as 67% of the budget went to the maintenance of personnel due to the reduced budget. In particular, “certain measures in training and logistic support of the Air Force could not be undertaken mainly due to insufficient and delayed funding.”¹⁵⁵ The limited budget also made it impossible for the UAF to carry out planned procurement and modernization projects, refresh emergency rations, and implement the disposal of surplus and out-of-service munitions.¹⁵⁶ In January 2009, the President deferred the transition of the UAF to an all-volunteer force to 2015.¹⁵⁷

The declining budget also affected the progress of ammunitions and rocket propellant disposal. Between 2006 and 2009, Ukraine only managed to disband six out of the sixteen rocket and ammunition storage centers that were not required under the future

154. Ministry of Defence of Ukraine, “The White Book (2005–2009): Defence Policy of Ukraine.”

155. Ministry of Defence of Ukraine, “The White Book 2006: Defence Policy of Ukraine,” 22, accessed October 22, 2010, http://www.mil.gov.ua/files/white_book_eng2006.pdf.

156. Ministry of Defence of Ukraine, “The White Book 2007: Defence Policy of Ukraine,” 17, accessed on October 22, 2010, http://www.mil.gov.ua/files/white_book/white_book_en2007.pdf.

157. Ministry of Defence of Ukraine, “The White Book 2009: Defence Policy of Ukraine,” 14, accessed on October 22, 2010, http://www.mil.gov.ua/files/white_book/Book_WP_2009_eng.pdf.

structure of the UAF.¹⁵⁸ This resulted in additional financial burden on the UAF and raised safety concerns, as the UAF resumed the practice of using outdated munitions for training, despite the fact that such practices were abandoned after two major missile disasters in 2000 and 2001.¹⁵⁹ Raising his concern on the severity of the problem, the Ukrainian Defense Minister highlighted that “if funding for the national arms development programs is not increased radically, in a couple of years we (Ukraine) will be unable to defend our air space and perform our basic military functions.”¹⁶⁰

The lack of an effective and stable working government was another obstacle for the UAF, as defense reforms had become “hostage to political infighting, coalition building and constitutional wrangling amongst the major political parties and actors in Ukraine.”¹⁶¹ During the 2006 parliamentary crisis, there were major disagreements between the parties on Ukraine’s integration with the Euro-Atlantic and the goals of defense reforms. This eventually led to the replacement of the civilian Defense Minister, who had strengthened the relationship between the Ministry of Defense and the General Staff, as well as created institutional improvements in the UAF under his watch.¹⁶² The political stalemate also resulted in the cancellation of Exercise Sea Breeze 2006, a major bilateral exercise between Ukraine and the U.S. to increase the UAF’s combat efficiency.¹⁶³ This was because the parliament failed to come to an agreement to authorize foreign troops on Ukrainian soil for the proposed exercise.

The political disputes, especially the foreign policy rift between the President and the Prime Minister, had led to the Ukrainian public’s confusion about NATO. Shortly after the 2006 parliamentary election, the newly appointed Prime Minister, Viktor Yanukovich, announced to the Ukrainian-NATO commission that Ukraine would

158. Ministry of Defence of Ukraine, “The White Book 2009: Defence Policy of Ukraine,” 15.

159. Simon, “Ukraine Against Herself: To be Euro-Atlantic, Eurasia, or Neutral?,” 8.

160. V. Badrack and S. Zhurets, “Defencelessness Syndrome,” *Zerkalo Nedeli*, No. 5 (634), February 10–16 2007, accessed October 23, 2010, <http://www.mw.ua/1000/1030/55848/>.

161. Deborah Sanders, “Ukraine’s Military Reform: Building a Paradigm Army,” *The Journal of Slavic Military Studies*, Vol 21 Issue 4 (2008): 611, accessed October 28, 2010, <http://www.informaworld.com/smpp/title~content=t713636668>,

162. Simon, “Ukraine Against Herself: To be Euro-Atlantic, Eurasia, or Neutral?,” 4–7.

163. RIA Novosti, “Sea Breeze Exercise Unrelated to NATO - Ukraine Defense Ministry,” last modified June 2, 2006, accessed October 22, 2010, <http://en.rian.ru/world/20060602/48974242.html>.

suspend negotiations on membership in the alliance, citing insufficient public support—survey results showed that 60 percent of Ukrainians were against membership in NATO.¹⁶⁴ In comparison, only 40 percent of Ukrainians were against joining NATO in a poll conducted in 2004.¹⁶⁵

In 2008, Yulia Tymoshenko, who took over the Prime Minister appointment from Yanukovych, reversed Ukraine's position on NATO membership and sent a letter to request a Membership Action Plan at the April 2008 Bucharest NATO Summit. However, the request was rejected, which brought about greater disappointment and disunity in Ukraine over its membership in NATO. This was evidenced by the dispute between the President and Prime Minister Tymoshenko over Ukraine's response to the Russia-Georgia conflict in August 2008. Prime Minister Tymoshenko criticized the President's strong support for Georgia and broke away from the coalition. This led to the 2008 parliamentary crisis, which saw the fifth government in Ukraine since the Orange Revolution.

Despite these issues that have threatened to derail the defense reform efforts, Ukraine has made considerable progress in the following areas over the past six years:¹⁶⁶

a. Organizational Structure – Through the reform tide of scientific management, the UAF has successfully reorganized into the modern three-service structure with the completion of the merger between the Air Force and Air Defense in May 2005. This was a long process, with a total of thirty-seven laws passed from 2001 to 2005. In 2006, the manning of the Joint Rapid Reaction Forces, which was established primarily for international peacekeeping operations deployment, was completed. Over the course of the following three years, the UAF set up their Special Operations Forces and the Military Medical Department. To allow the UAF to focus on its core functions,

164. Peter Finn, "Ukraine's Yanukovych Halts NATO Entry Talks," The Washington Post, last modified September 15, 2006, accessed October 22, 2010, <http://www.washingtonpost.com/wp-dyn/content/article/2006/09/14/AR2006091401476.html>.

165. Joanna Konieczna, "Polska-Ukraina Wzajemny Wizerunek," Institute of Public Affairs, Warsaw (2001): 71, accessed November 14, 2010, <http://www.isp.org.pl/files/5655578580364032001225889489.pdf>.

166. Ministry of Defence of Ukraine, "The White Book (2005–2009): Defence Policy of Ukraine," accessed October 20, 2010, http://www.mil.gov.ua/index.php?part=white_book&lang=en.

Ukraine created the State Department of Surplus Materiel and Land to take over the responsibility for the sale of land and excess or decommissioned munitions. In terms of downsizing efforts, the UAF has achieved the target of reducing the force size from 245,000 personnel in 2005 to 200,000 in 2009.

b. Democratic Control – Ukraine has broke away from the Soviet model of appointing a military officer as Defense Minister and settled into a pattern of civilian defense leadership with the reform tide of watchful eyes.¹⁶⁷ Since 2005, the Defense Minister and his deputies have all been civilians. This had a positive effect on the relations between the Ukrainian parliament's Defense Committee and the Ministry of Defense, which allowed the latter to make a case for a budgetary increase in 2006 to cover the costs of reform.¹⁶⁸ In addition, Ukraine has legally regulated and separated the functions and powers between the Ministry of Defense and the General Staff to align to the standards and structure of NATO nations. As stated in the opening address of White Book 2007 by the Defense Minister of Ukraine,

...the General Staff will be in charge of purely military matters, the most important of which is optimizing forces strength, increasing professionalism, and defining modern types of arms and military equipment for the Armed Forces 2011 Model. The main efforts of the Defense Ministry will be concentrated on comprehensive support to Armed Forces' requirements, forces activities and resolving the block of social-economic problems that accumulated over recent years.¹⁶⁹

c. Military Training – In the last five years, Ukraine has launched the reform tide of liberation management to improve the quality of military education and training in the UAF. The UAF has been leveraging multinational exercises as an effective form of combat training. Given a limited budget, training priority was given to the Joint Rapid Reaction Forces, which signaled Ukraine's desire to continue to be an active participant in international peacekeeping operations. Since 1992, the UAF have deployed about 34,000 personnel in eighteen international peacekeeping operations. As of the end of

167. Simon, "Ukraine Against Herself: To be Euro-Atlantic, Eurasia, or Neutral?," 6.

168. Deborah Sanders, "Ukraine After the Orange Revolution: Can it Complete Military Transformation and Join the U.S.-Led War on Terrorism?," Strategic Studies Institute (2006): 20–21, accessed October 28, 2010, <http://www.strategicstudiesinstitute.army.mil/pdffiles/pub736.pdf>.

169. "The White Book 2007: Defence Policy of Ukraine," 6.

2009, Ukraine has also established a military education network consisting of two universities, four academies, four institutes, three military science departments, fifteen military arts divisions, fifteen disaster medicine and military medicine divisions, three colleges, one military science section, one military lyceum, and one navy lyceum. To ensure interoperability between the UAF and NATO forces, the concept of personnel language training based on NATO “STANAG-6001” was approved on June 1, 2009. A database was also put in place to track English proficiency of the UAF personnel.¹⁷⁰

d. Personnel Management – The UAF has introduced a system of manning on a contract basis and set up twenty-five territorial contract manning centers to manage the transition from a partial conscript-based force to a fully professional force by 2015. To improve motivation and the attractiveness of military service, the UAF implemented initiatives such as increasing remuneration packages, providing military housing and other welfare support, establishing the Council of the families of Service personnel, and conducting military-patriotic education in schools. Promoting personnel with qualifications and peacekeeping mission experiences has also provided motivation for others to improve their qualifications and participate in international peacekeeping missions. Under the Armed Forces Personnel Policy concept in 2009, a centralized personnel management system was rolled out on January 1, 2010, to oversee personnel management and career development in the UAF. The reform tide of liberation management is expected to continue in the coming years as the UAF seek to fulfill the goal of an all-volunteer military force.

Political forces have and will continue to play an important role in influencing defense reforms in Ukraine. Since the 2010 presidential election, there have already been changes to Ukraine’s foreign policy and national security strategy. In June 2010, the Ukrainian parliament approved a bill to reject any ambition to join NATO. The law

170. Simon, “Ukraine Against Herself: To be Euro-Atlantic, Eurasia, or Neutral?,” 7.

forbids Ukraine's membership in any military bloc, though cooperation with alliances such as NATO will continue. Nonetheless, integration with the EU still remains a priority in Ukraine's national security strategy.¹⁷¹

C. INTERNAL FORCES

After the collapse of the Soviet Union, Ukraine inherited a massive military force equipped with a huge nuclear arsenal. These included “780,000 personnel, 6,500 tanks, about 7,000 combat armored vehicles, 1,500 combat aircrafts, more than 350 ships, 1,272 strategic nuclear warheads of intercontinental ballistic missiles, and 2,500 tactical nuclear missiles.”¹⁷² However, there was no command and control structure in place to provide strategic guidance, as neither the Ministry of Defense nor the General Staff existed.

The newly created UAF in the early years of independence was described as force grouping, “designed for one purpose: to wage combined arms, coalition, offensive (and nuclear) warfare against NATO on an external front and under Moscow's direction. They were not equipped, deployed or trained to defend Ukraine. They were bone and muscle without heart or brain.”¹⁷³ More importantly, the economic reality was that Ukraine would not have the resources to sustain the military force and equipment that were left behind by the Soviets. Faced with a weak economy coupled with hyperinflation and product shortages in the 1990s, the UAF was very much “left to reform itself as it saw fit, within the framework of shrinking budgets.”¹⁷⁴ Thus, Ukraine was ready to hop onto any initiatives that would lead to the reform tide of war on waste.

In May 1992, Ukraine signed the Strategic Arms Reduction Treaty together with the U.S., Belarus, Kazakhstan and Russia. Under the treaty, Ukraine, Belarus and Kazakhstan agreed to give up all nuclear weapons to Russia for disposal and join

171. BBC, “Ukraine's Parliament Votes to Abandon NATO Ambitions,” last modified June 3, 2010, accessed October 22, 2010, <http://www.bbc.co.uk/news/10229626>.

172. Ministry of Defense of Ukraine, “The History of the Armed Forces of Ukraine,” accessed October 22, 2010, <http://www.mil.gov.ua/index.php?lang=en&part=history&sub=history>.

173. James Sherr, “Ukraine's Defence Reform: An Update,” Central & Eastern Europe Series (2002): 6, accessed November 14, 2010, <http://www.globalsecurity.org/military/library/report/2002/G112.pdf>.

174. David Greenwood, “Security Sector Reform and Transparency Building: Needs and Options for Ukraine and Moldova,” The Centre of European Security Studies, Harmonie Paper 17 (2004): 17.

the Nuclear Non-Proliferation Treaty to become a non-nuclear weapon state. Ukraine ratified the treaty in 1994 and fulfilled its obligation in November 2001.¹⁷⁵ In July 1992, Ukraine also signed the Treaty on Conventional Armed Forces and agreed to reduce defense spending and force size to meet the troops ceiling limits on the amount of conventional armaments as established under the treaty.¹⁷⁶

By 1996, the size of the UAF had been reduced to about half of the personnel levels of 1991, from 780,000 to about 400,000 personnel. Other initiatives that the UAF undertook to reduce operating costs include closing as well as converting bases, conducting training near the homes of conscripts to reduce transportation and possibly accommodation costs, cancelling training programs, and shortening the serving period for conscripts. A pure cost-cutting exercise without consideration of the missions and structure of the UAF in a changed security environment resulted in a military force with outdated functions and capabilities, and demoralized personnel that were not deployable to defend Ukraine in the 1990s.

Besides taking over the military force and equipment that were left on Ukraine's soil after the end of Cold War, Ukraine also inherited one-third of the Soviet defense industry, consisting of 1,840 companies and research centers with 1.5 million employees.¹⁷⁷ This represented a huge economic potential for Ukraine as some facilities had unique capabilities in ships, tanks, aircraft avionics, rockets, and missiles production. It was estimated that the Ukrainian defense industry would have a potential of USD 8–10 billion annually, although an estimated amount of USD 28 billion of investment would be required for restructuring.¹⁷⁸ Shutting down the industry would result in loss of economic opportunities and a huge unemployment problem.

175. Federal of American Scientists, "Strategic Arms Reduction Treaty (START I) Chronology," accessed October 22, 2010, <http://www.fas.org/nuke/control/start1/chron.htm>.

176. White House Press Secretary Marlin Fitzwater, "CFE Treaty and CFE-1A Agreement: Conventional Armed Forces in Europe," last modified July 10, 1992, accessed October 22, 2010, http://findarticles.com/p/articles/mi_m1584/is_n28_v3/ai_12553015/.

177. John Jaworsky, "The Transition from a Soviet Military in Ukraine to a Ukrainian Military" in *The Military Tradition in Ukrainian History: Its Role in the Construction of Ukraine's Armed Forces*, (Massachusetts: Harvard University Press. 1994,) 62–76.

178. Anatolii Grysenko, *Ukraine's Defense Sector in Transition: Impacts on Foreign and Security Policy, Between Russia and the West*, Vol 2 Issue 1, Center for Security Studies, Zurich Switzerland, 1999, 104.

Despite the challenges, Ukraine embarked on the reform tides of war on waste and scientific management to focus on building up niche areas within its defense industry. In 2007, the government announced that the number of state-owned companies under the control of the Ukrainian Defense Ministry would be reduced from 213 to 48 in 2011. This would be carried out through consolidation, privatization, and transfers to other government agencies.¹⁷⁹ Notable achievements from the Ukrainian defense industries include the Ukrainian-built T-84 main battle tank and the military reconnaissance and transport aircrafts, both produced by state-owned firms, Malyshev Factory and Antonov respectively, and currently in service. Today, Ukraine still remains a leader in missile-related technology.¹⁸⁰

D. SOCIO-ECONOMIC FORCES

Except for a short-lived period of independence from 1917 to 1920, Ukraine was under the control of other nations throughout history. This resulted in ethnic, socio-economic and geo-cultural differences across the Ukrainian regions. In particular, the Russian community made up 17.3% of the population, as Ukraine came under the control of the Russian Empire, and subsequently the Soviet Union, in the latter part of the 18th century.¹⁸¹ Thus, a major concern for Ukraine after the dissolution of the Soviet Union was the possibility of spillover problems from any religious and ethnic conflicts emerging in neighboring countries. In addition, given Ukraine's geographical position between Western and Eastern Europe, it could be easily drawn into political and economic crises in the region.¹⁸²

179. Jane's Military and Security Assessments, "Defence Production and R & D: Ukraine," posted June 23, 2010, accessed November 1, 2010.
http://www8.janes.com.libproxy.nps.edu/JDIC/JMSA/documentView.do?docId=/content1/janesdata/sent/cissu/cisa026.htm@current&pageSelected=&keyword=&backPath=http://jmsa.janes.com/JDIC/JMSA&Prod_Name=CISS&activeNav=http://www8.janes.com/JDIC/JMSA.

180. Federal of American Scientists, "Ukraine Special Weapons," accessed October 22, 2010, <http://www.fas.org/nuke/guide/ukraine/index.html>.

181. The World Factbook, "Europe: Ukraine."

182. Maslovskiy, "National Security Issues and Defense Reform in Ukraine," 13.

Having inherited a military force with a deeply rooted communist ideology and values from the former Soviet Union, Ukraine launched a reform tide of watchful eyes to depoliticize the UAF. Besides setting up a legislative basis and institutional and command structures, Ukraine devised norms for the UAF to preserve coherence in the troops. In addition, Ukraine repatriated 12,000 military personnel who refused to pledge an oath of allegiance to the country and demobilized over 300,000 military personnel.¹⁸³ However, these reforms were more of a political factor rather than an attempt to address the country's real security needs, as the focus of the political elites was on internal politics and economic issues.¹⁸⁴

E. CHANCE EVENTS

The Orange Revolution in 2004 reflected the Ukrainians' desire for justice and democracy. More importantly, the political elites had recognized the need for an effective national security policy to "protect national interests, guarantee security of individual, societal and state levels from external and internal threats."¹⁸⁵ In the aftermath of the Orange Revolution, presidential powers were reduced with the shift from a presidential system to a parliamentary system to encourage cross-party cooperation and transparency in policy-making, including national defense and security.¹⁸⁶ Under the amended Constitution, the President is confined to appointing the Prime Minister, Defense Minister, and Foreign Minister, subject to the approval of parliament.

The new government also provided clear directions on the ultimate goal of its foreign policy and military doctrine, which was the eventual membership in NATO and the EU. Implementation of the NATO-Ukraine Target Plan and the Ukraine-EU Action Plan thus became the priorities in driving the defense reforms in the UAF. In 2005, the "State Programme of Development of Armed Forces 2006–2011" was rolled out on

183. Sherr, "Ukraine: The Pursuit of Defence Reform in an Unfavourable Context," 6.

184. Greenwood, "Security Sector Reform and Transparency Building: Needs and Options for Ukraine and Moldova," 17.

185. Maslovskyi, "National Security Issues and Defense Reform in Ukraine," 1.

186. Mykola Riabchuk, "European Dreams and the Soviet Legacy." Action Ukraine Report, No. 275, (2004), accessed November 15, 2010, <http://www.archives.gov.ua/Sections/Ukraineomni/editactionukr.htm>.

December 9, 2005. The revised State Program was jointly developed by the Ukrainian parliament, Central Office of the National Defense Council, the Ministry of Defense and the General Staff, in consultation with the experts from NATO nations and the Defense Planning Division of NATO's International Staff.¹⁸⁷ More importantly, the State Program laid out detailed objectives with clear timelines for training and capability development.

In 2006, the President and the Minister of Defense respectively approved "The Strategic Concept" and "The Strategic Plan of the Employment of the Armed Forces of Ukraine" as a supplement to the State Program. These two documents provided a new standard for strategic planning and military training for the commanders at different levels based on the different scenarios of possible military threats to Ukraine. However, the progress of implementing the State Program has been less than desired due to factors mentioned in earlier sections.

F. CHAPTER SUMMARY

Political forces played an important role in driving defense reforms in Ukraine. In the 1990s, no major defense reform was carried out in the UAF due to lack of consensus on both foreign policy and national security strategy. Real defense reform came about after the "Orange Revolution" in 2004, when the new government provided clear directions on the ultimate goal of its foreign policy and military doctrine—to join the Euro-Atlantic. However, the progress of defense reform was affected by the lack of funding support and the constant political disputes within the government. After the 2010 presidential election, Ukraine made changes to its foreign policy and national security strategy. In the light of these changes and the economic burden caused by the prolonged financial crisis, Ukraine is expected to review the plans of its defense reform in the near future.

187. Ministry of Defence of Ukraine, "The White Book 2005: Defence Policy of Ukraine," 20–21.

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VII. COMPARATIVE ANALYSIS OF DEFENSE REFORMS

This chapter analyzes the similarities and differences in defense reforms among Bulgaria, Poland, Ukraine, and the Czech Republic. The chapter examines emerging trends in defense reforms for transitioning countries in Central and Eastern Europe and analyzes these trends in a comparative framework. The end of the chapter provides an evaluation of the model developed in Chapter II for analyzing defense reforms.

A. SIMILARITIES AND DIFFERENCES

Bulgaria, Poland, Ukraine and the Czech Republic **faced similar challenges after the collapse of the Soviet Union**. The top three challenges in the early years of nation building revolved around how best to transition from a centrally planned economy to a market economy, implement the democratization process, and manage the massive military force and equipment that were inherited from the Soviets. More importantly, the governments had to make two important decisions that would have a significant impact on the direction and pace of reform. First, the prioritization of the urgency to tackle economic versus national security and defense issues would have an impact on the allocation of resources for defense reforms. Second, foreign policy position with respect to political, economic, and security relations towards the Western nations and Russia would provide different ideas and objectives in shaping the defense reforms of each country.

Based on the research of the defense reforms for the four countries, the author observed that Bulgaria, Poland, Ukraine and the Czech Republic **went through a similar pattern of defense reform**, with differing paces and results that were dependent on the unique political environment, foreign and security policy objectives, and socio-economic pressures for each country. In the first phase of defense reform, these countries focused on reducing excess or unnecessary components of their armed forces under the reform tide of war on waste. One major cost-cutting initiative that was observed across the four countries was the drastic downsizing of the armed forces. See Table 3 for the changes in armed forces personnel strength from 1994 to 2009.

Country	1994	2000	2009	% Change from	
				1994 to 2000	2000 to 2009
Bulgaria	98,930	79,658	31,250	-19%	-61%
Czech Republic	92,893	57,735	37,739	-38%	-35%
Poland	269,670	205,270	131,898	-24%	-36%
Ukraine	495,156	310,000	148,000	-37%	-52%
Average				-30%	-46%

Table 3. Changes in Armed Forces' Personnel Strength¹⁸⁸

Between 1994 and 2000, Bulgaria, Poland, Ukraine and the Czech Republic reduced the personnel strength of their armed forces by 30 percent on average. This translated to about a 4 percent cut in headcount per annum over seven years. The reform tide of war on waste did not slow down in the 2000s. From 2000 to 2009, the armed forces of the four countries saw annual reductions of about 5 percent in their personnel strength. However, more than often, these downsizing and cost-cutting efforts were accompanied by the reform tide of watchful eyes, with initiatives like the depoliticizing of the armed forces and the redefinition of the roles and responsibilities between the civilian-ministry and military departments. This was of utmost priority for countries seeking to integrate with NATO or the EU, as putting in place democratic standards of civilian control over the armed forces and the defense budget is one of the most important criteria for Euro-Atlantic membership.

In the second phase of defense reform, Bulgaria, Poland, Ukraine and the Czech Republic assessed options for strengthening the defense management and modernization of their armed forces through the reform tides of scientific management and liberation management. These reform tides were launched because of pressures from internal forces and political forces. For Bulgaria, Poland and the Czech Republic, their plans to modernize their armed forces evolved after joining NATO. Faced with increasing operations and having served alongside other NATO forces in multinational peacekeeping operations, Bulgaria, Poland and the Czech Republic realized that their

188. Stockholm International Peace Research Institute, "Facts on International Relations and Security Trends: Conventional Armed Forces in Europe Ceilings and Holdings," accessed 1 November 2010, <http://first.sipri.org/>.

armed forces were lacking in many areas. Language, as well as outdated doctrines, strategies and equipment, became key concerns for these three countries. As a result, Bulgaria, Poland and the Czech Republic launched reform initiatives that targeted improving their interoperability with NATO and allied forces. However, their plans were somewhat affected by the declining budgetary support in the latter half of the 2000s, which will be elaborated on in subsequent paragraphs. As for Ukraine, political force was the push factor, as the Ukrainian government then realized that the state of the UAF had become an obstacle to its integration with Euro-Atlantic. After six years of downsizing without any strategic consideration of future structure and requirements, the UAF was in a terrible state with demoralized personnel that were lacking in both military training and equipment in a new security environment. From 1996 to 2004, Ukraine entered into a long period of rationalizing its defense reforms to transform the UAF.

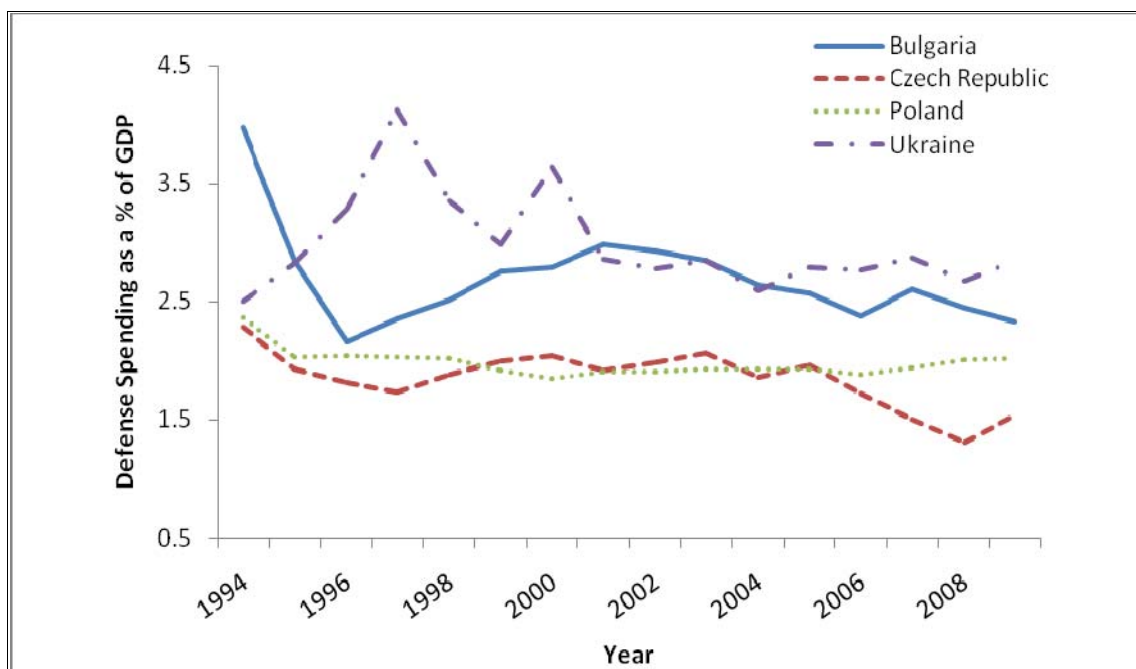


Figure 3. Defense Spending as a Percent of GDP from 1994 to 2009¹⁸⁹

Figure 3 shows **defense spending as a percent of GDP** for Bulgaria, Poland, Ukraine and the Czech Republic from 1994 to 2009. The first observation was that there

189. World DataBank, "World Development Indicators."

was a **general downward trend from 1994 to 2009** for all four countries with the exception of Ukraine, where its downward trend only started after 1997. This was despite an upward trend for GDP growth, especially during the economic boom in the late 1990s till the mid 2000s. See Figure 4 for the annual percent GDP growth for the four countries from 1994 to 2009.

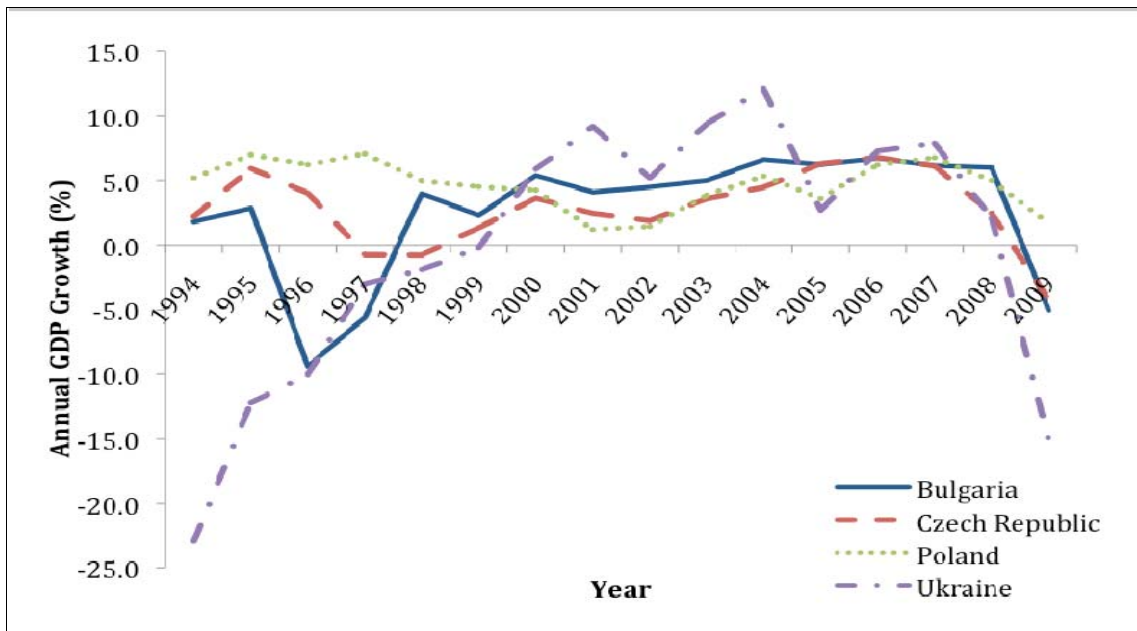


Figure 4. Annual Percent GDP Growth from 1994 to 2009¹⁹⁰

This downward trend of defense spending as a percent of GDP was also observed for countries such as Hungary and Albania, which had larger armed forces and independence during the Cold War.¹⁹¹ The general downward trend could be explained by the reform tide of war on waste that had consistently swept the four countries, as evidenced in their defense reforms. Bulgaria, Poland, Ukraine and the Czech Republic realized that there was no requirement and financially not sustainable to maintain a huge military force after the end of the Cold War. In addition, they were obligated to reduce

190. World DataBank, "World Development Indicators."

191. Jomana Amara and Martins Paskevics, "The Impact of Accession on Military Expenditure Trends for New NATO Members," Defense Resources Management Institute Working Paper, July 2009, 21.

their defense spending and force size to meet the troops ceiling and limits on the amount of conventional armaments as established under the Treaty on Conventional Armed Forces.¹⁹²

Another observation was that the **commitment to join NATO had a positive effect on defense spending, although not sustainable after accession** to the alliance. From Figure 3 earlier, it is observed that Bulgaria, Poland and the Czech Republic increased their defense spending, or at least maintained it at around 2 percent of GDP, as they sought membership into NATO. Their defense spending gradually declined after attaining NATO membership, especially for the Czech Republic and Bulgaria in 1999 and 2004, respectively. Thereafter, their defense spending as a percent of GDP went on a downward trend, as other competing domestic requirements took priority. In the case of the Czech Republic, defense spending has drastically fallen from 2.0 percent of GDP in 2005 to 1.32 percent in 2010, as the country faced the economic consequences of the catastrophic floods in the first half of the 2000s, followed by the global economic recession in the latter half of the 2000s. In Bulgaria, the Ministry of Defense was unable to fund many of its planned modernization projects and had to defer or put these plans on hold due to the prolonged economic crisis, coupled with the mismanagement of financial resources.

With regard to the increasing trend of defense spending as a percent of GDP for Ukraine prior to 1997, it is noted that the increase in the budget was minimal from USD 1.3 billion in 1994 to USD 1.5 billion in 1996 as shown in Figure 5. The big increase to USD 2.1 billion in 1997 coincided with the beginning of the second phase of defense reform in Ukraine, as well as the cooperation with NATO under the “Charter on a NATO-Ukraine Distinctive Partnership.” Following that, Ukraine’s defense spending went on an upward trend as shown in Figure 5. However, defense spending as a percent of GDP was on a downward trend from 3.6% in 1999, when Ukraine’s economy turned around, to an average of 2.8% between 2001 and 2009.

192. White House Press Secretary Marlin Fitzwater, “CFE Treaty and CFE-1A Agreement: Conventional Armed Forces in Europe.”

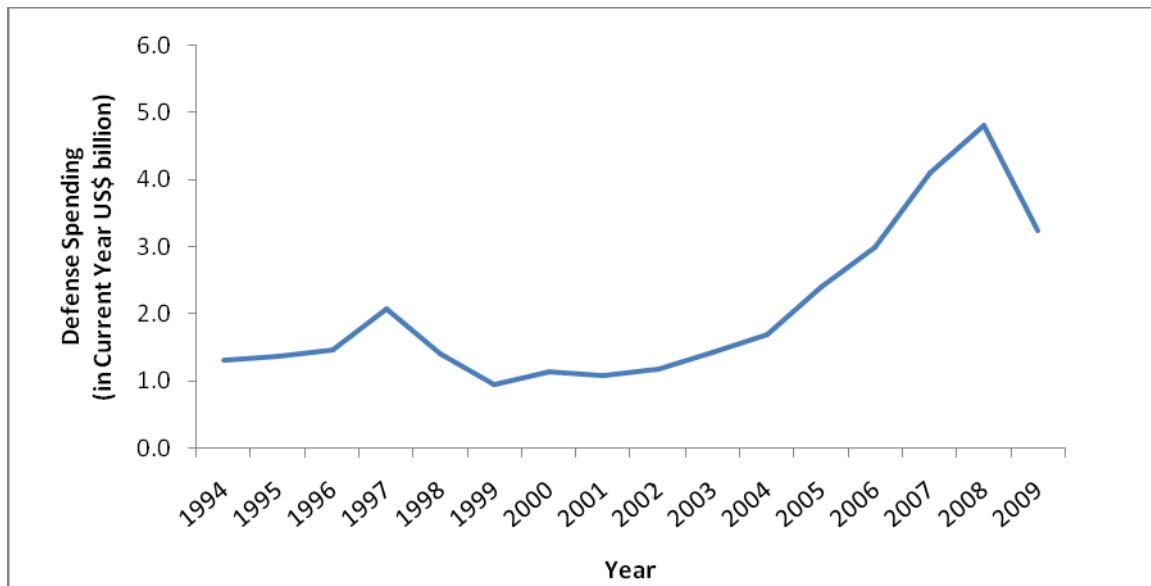


Figure 5. Ukraine Defense Spending (in USD billion) from 1994 to 2009¹⁹³

Figure 6 shows the expenditure on military equipment as a percent of defense spending for Bulgaria, Poland and the Czech Republic after their accession to NATO. It can be seen that the Czech Republic's proportion of defense spending on equipment has been on a steep downward trend since joining NATO in 1999. As for Bulgaria and Poland, the trend is relatively flat, with signs of gradual decline in recent years. From these observations, one might possibly question the three countries' commitment on defense modernization. Given a limited budget, transformation efforts would probably be focused on those critical forces participating in NATO and other peacekeeping operations. It is noted that the 2010 defense budget for Bulgaria, Poland and the Czech Republic (1.32%) remained below NATO's desired level of 2 percent of GDP at 1.44%,¹⁹⁴ 1.32%¹⁹⁵ and 1.95%¹⁹⁶, respectively.

193. World DataBank, "World Development Indicators."

194. People's Daily Online, "Bulgaria to Cut One-fifth of Defense Ministry by 2015: Official," last modified September 1, 2010, accessed November 3, 2010, <http://english.peopledaily.com.cn/90001/90777/90853/7125809.html>.

195. Ministry of Defence and Armed Forces of the Czech Republic, "Defense Budget."

196. Ministry of National Defense Republic of Poland, "Basic Information on the MoND Budget for 2010," accessed November 1, 2010, <http://www.bip.mon.gov.pl/pliki/file/wersja%20angielska.ppt>.

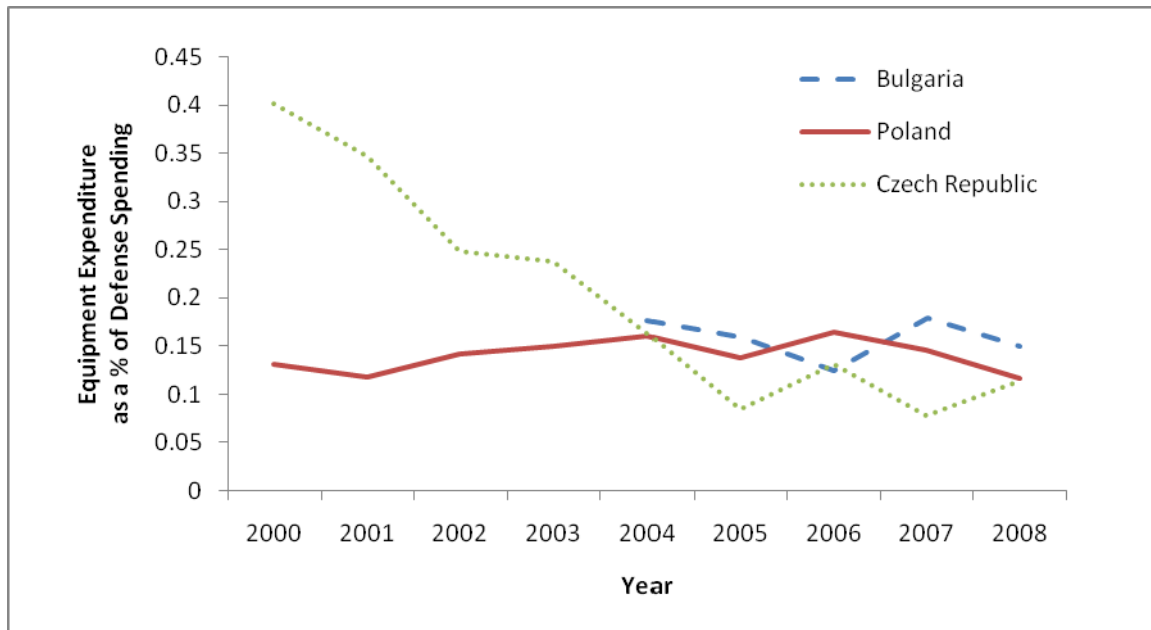


Figure 6. Equipment Expenditure as a Percent of Defense Spending¹⁹⁷

Among the different reform forces, **political force was one of the most important drivers of defense reform** in Bulgaria, Poland, Ukraine and the Czech Republic. In several cases, despite the repeated calls and signals for urgent change in the armed forces by internal forces, defense reform was not rolled out due to political neglect and disputes. This was apparent especially in the early 1990s. Defense reform only came about when the political elites agreed that change was required to fulfill certain agenda, such as to meet the criteria for membership in NATO or improve interoperability with allied forces. Hence, political stability is an important requirement for defense reform. In addition, while political forces determine the direction of defense reforms, political will backed with resource commitment is equally crucial to achieve the desired outcomes of the defense reforms.

The **involvement of international actors**, such as NATO and the U.S., **has a positive effect on the pace of defense reform**. The NATO officials who worked closely

197. Stockholm International Peace Research Institute, "NATO Military Expenditure on Equipment and Personnel 1999–2008," accessed November 4, 2010, http://www.sipri.org/research/armaments/milex/resultoutput/nato/NATO_milex; and World DataBank, "World Development Indicators."

with the aspiring countries “served as catalysts to help these states restructure their militaries in accordance with democratic principles and to reshape their military postures for the future.”¹⁹⁸ Through the Partnership for Peace Program and the Membership Action Plan, Bulgaria, Poland and the Czech Republic gained insights on how to restructure their armed forces, update military doctrines and strategies, establish training standards, and conduct defense planning. In addition, participation in NATO exercises and peacekeeping operations has not only contributed to the professionalization of the participating units, but also created a positive trickle-down effect on the armed forces, as personnel are rotated into and out of the operations.¹⁹⁹ Ukraine has benefitted from the NATO-Ukraine cooperation. The Joint Working Group on Defense Reform established under the “Charter on a NATO-Ukraine Distinctive Partnership” in 1997 assisted Ukraine in addressing issues related to civil-military relations, defense planning and management, which led to the development of the State Program 2001–2005 for the reform of the UAF. It was through these interactions and co-operations with NATO members that allowed the political elites of these transitioning countries to see the real need for change in their armed forces.

Another benefit from interacting with NATO was military assistance, especially from the U.S. Some key U.S. Foreign Military Assistance programs include the following: Foreign Military Financing, Economic Support Fund, International Military Education and Training, Non-Proliferation, Anti-terrorism, Demining, and Related programs, and the Assistance for the Independent States of the Former Soviet Union. In the last three years, Bulgaria, Poland, Ukraine and the Czech Republic have received more than USD 55 million of military assistance from the U.S. as shown in Table 4.

198. Ryan C. Hendrickson, “The Miscalculation of NATO’s Death,” *Parameters*, Vol. XXXVII, No. 1, (2007): 107. <http://www.carlisle.army.mil/USAWC/PARAMETERS/Articles/07spring/hendrick.htm>.

199. Andrew Cottey, Timothy Edmunds and Anthony Forster, “Military Matters: Beyond Prague,” *North Atlantic Treaty Organization Review*, accessed November 1, 2010, <http://www.nato.int/docu/review/2002/issue3/english/military.html>.

Note: All figures are in USD thousands.

Country	FY 2007	FY 2008	FY2009
	Actual	Estimate	Request
Bulgaria	11,059	8,502	11,000
Poland	30,528	28,980	29,200
Czech Republic	5,111	3,275	5,050
Ukraine	12,716	8,608	11,550
Total	59,414	49,365	56,800
Overall total average per year for the four countries	55,193		

Table 4. United States Foreign Military Assistance Funding from 2007 to 2009²⁰⁰

B. EMERGING TRENDS IN DEFENSE REFORMS

Bulgaria, the Czech Republic, Poland and Ukraine have been affected by the prolonged economic downturn that started in 2007. Except for Poland, GDP growth for the rest of the three countries fell below zero in 2009. This corresponded to a decline in defense spending as a percent of GDP as shown in Figure 3 earlier in this chapter. Across Europe, the aggregated figures for NATO countries (excluding the U.S.), non-NATO countries, and Russia revealed a similar trend as shown in Figure 7. As reported in the *Military Balance 2010*, of the twenty-four European members of NATO, only Norway and Denmark proposed an increase in their defense budgets in real terms compared to the prior year, with biggest cuts coming from the Czech Republic (-12%) and Romania (-17.4%).²⁰¹ In Russia, the former Deputy Defense Minister for Financial and Economic Matters revealed that defense funding for research and development projects have been drastically reduced, with reports indicating that three hundred projects were put on hold.²⁰² The economies of the CIS countries were the worst hit in Europe. Most of them

200. United States Department of State, "Security Assistance: Countries A-Z," accessed November 4, 2010, <http://www.state.gov/t/pm/c17570.htm>.

201. International Institute for Strategic Studies, *The Military Balance 2010*, 109.

202. *Ibid.*, 218.

are struggling with the aftermath of three simultaneous major shocks: the financial crisis; a drastic decline in export demand from advanced economies; and the fall in commodity prices, especially in the energy markets.²⁰³

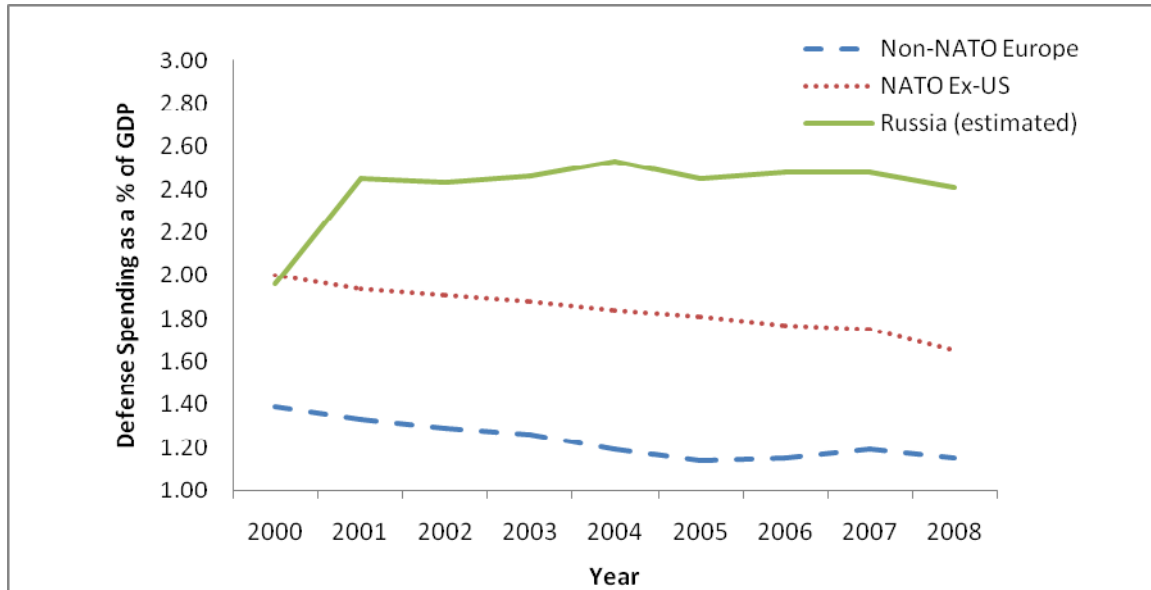


Figure 7. Defense Spending as a Percent of GDP in Europe²⁰⁴

While some analysts viewed that the global recession was over in 2010, many agreed that the recovery would be a slow and prolonged process.²⁰⁵ In September 2010, billionaire investor Warren Buffett commented that the U.S. economy is still in recession and is “...not gonna be out of it for a while” until the economy returns to the pre-downturn level.²⁰⁶ As countries continue to roll out discretionary fiscal measures to manage their deficits, there will be greater pressure to trim defense spending. In the absence of direct and immediate threats, **downward pressure on defense spending is expected to continue** in the next few years in Europe, especially for the transitioning countries in Central and Eastern Europe.

203. International Institute for Strategic Studies, *The Military Balance 2010*, 116.

204. World DataBank, “World Development Indicators.”

205. Ashley Seager, “Recession's Over But We're Not Out Of The Woods Yet,” *Guardian.co.uk*, last modified January 26, 2010, accessed November 15, 2010, <http://www.guardian.co.uk/business/2010/jan/26/recession-economics>.

206. Jonathan Stempel, “Warren Buffett: We're Still In a Recession,” *Reuters*, last modified September 23, 2010, accessed November 15, 2010, <http://www.reuters.com/article/idUSTRE68M2TZ20100923>.

At the same time, deployments for international peacekeeping operations have been increasing in recent years as shown in Figure 8. It is more apparent in Figure 9 that the increasing trend started in 2002 after the 9/11 incident in 2001. In view of the global recession, it remains to be seen if this trend will continue. Additionally, support of the war in Afghanistan is fading in European countries due to intense public pressure.²⁰⁷ Nonetheless, **international peacekeeping deployments for the UN, NATO, and EU should at least remain at their current levels or increase in the short run based on existing trends.**

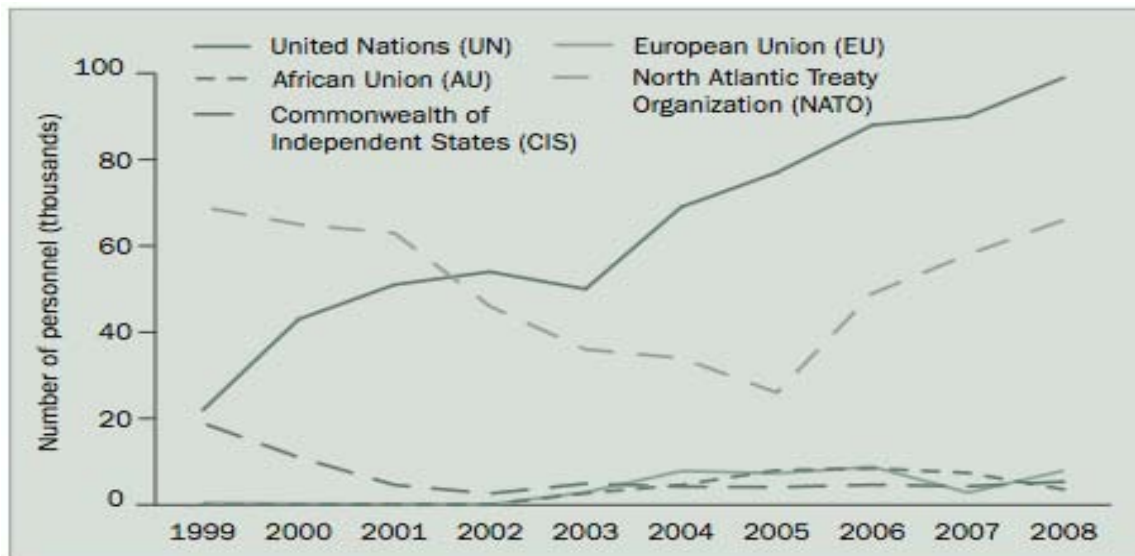


Figure 8. Total Deployments of Peace Operation Personnel from 1999 to 2008²⁰⁸

207. Marshall Fund of the United States, "Transatlantic Trends: Press Information 2009," accessed November 1, 2010, <http://www.gmfus.org/trends/pressinfo.html>.

208. Stockholm International Peace Research Institute, "SIPRI Fact Sheet July 2009: Multilateral Peace Operations – Personnel, 2008," 2, accessed on November 16, 2010, <http://books.sipri.org/files/FS/SIPRIFS0907P.pdf>.

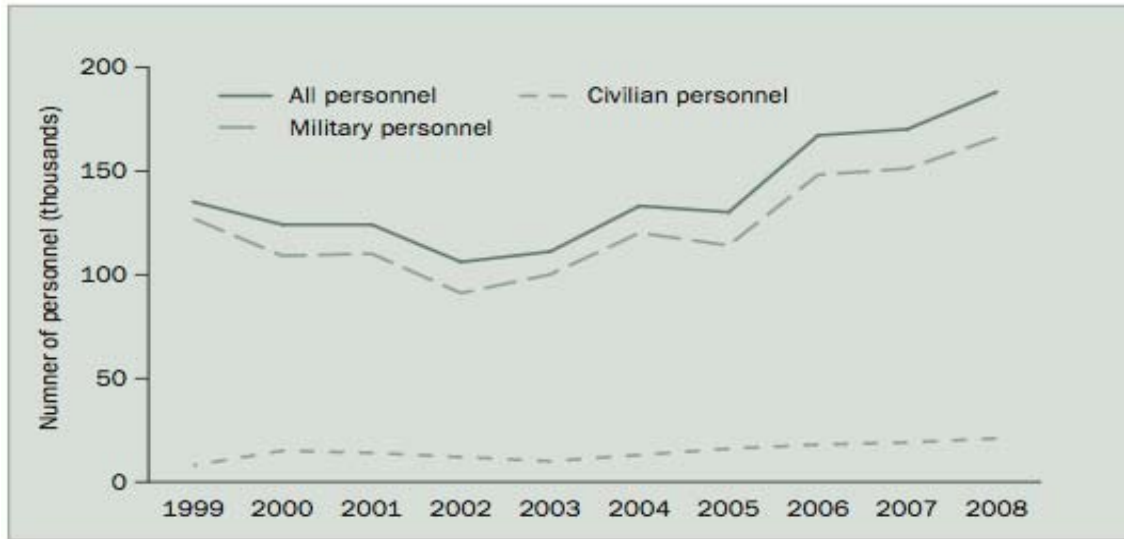


Figure 9. Personnel Deployments by Top Five Deploying Organizations From 1999 to 2008²⁰⁹

In view of limited resources and increasing operations, countries around the world have started exploring ways and means to use their defense dollars more effectively. The reform tide of war on waste is expected to continue as Central and Eastern Europe countries downsize into smaller armed forces. At the same time, their focus will be **shifted towards the reform tide of scientific and liberation management to develop a smaller but flexible, responsive and professional military force** to deal with asymmetric threats and be deployable for operations beyond the country's borders. This is reflected in the military doctrines, strategies and defense reforms of Bulgaria, Poland, Ukraine and the Czech Republic. It is for this reason that many transitioning countries, including Bulgaria, Poland and the Czech Republic, have chosen to join NATO. Member countries of NATO do not need to maintain huge armies but instead specialize in niche areas as part of their contribution to a collective defense structure. For example, the ACR has developed expertise in the area of nuclear, biological and chemical weapons defense.²¹⁰

209. Stockholm International Peace Research Institute, "SIPRI Fact Sheet July 2009: Multilateral Peace Operations – Personnel, 2008," 1, accessed on November 16, 2010, <http://books.sipri.org/files/FS/SIPRIFS0907P.pdf>.

210. Cottey, Andrew, Timothy Edmunds and Anthony Forster, "Military Matters: Beyond Prague."

The move towards smaller armed forces with role specialization will influence defense reforms and modernization plans. For example, professionalization and the **move towards an all-volunteer military force** has been one of the main themes in the defense reforms for the four countries. The Czech Republic was the first among the four countries to abolish conscription service in 2004, followed by Bulgaria and Poland in 2008 and 2009, respectively. As for Ukraine, it is currently a partial conscript-based force with plans to transform to a fully professional all-volunteer force by 2015. Many of the transitioning countries in Eastern Europe have also embarked on this route and abolished conscription service as shown in Table 5.

Countries	Year of Abolishing Conscription
Hungary	Peacetime conscription abolished in 2004
Latvia	Abolished in 2007
Lithuania	Suspended in 2008
Macedonia	Abolished in 2007
Romania	Abolished in 2006
Slovakia	Abolished in 2006
Slovenia	Abolished in 2003

Table 5. List of Eastern European Countries that Have Abolished Conscription²¹¹

From an economic point of view, conscription is a social burden for a country. It is not cost-effective to build up the competencies and deploy conscripts for overseas peacekeeping given the time, resource and legal constraints. Maintaining a conscription service best succeeds if a country is facing an external threat. The other political reason for retaining mandatory military service would be more for the purpose of nation building and increasing employment opportunity. However, as more soldiers are deployed overseas for operations, the stronger the political pressure to shorten or totally remove conscription service and move towards an all-volunteer force.²¹² The Swiss Armed

211. No author, "Military Conscription Policy by Country," accessed November 3, 2010, <http://chartsbin.com/view/tpe>.

212. Tibor S. Tresch, "The Transformation of Switzerland's Militia Armed Forces and the Role of the Citizen in Uniform," *Armed Forces & Society*, XX(X) 1–22 (2010): 15.

Forces, which is organized based on the concept of the citizen in uniform, is facing increasing pressure from society to remove its conscription service. The Turkish Armed Forces, which is the largest military in NATO after the U.S., is also expecting to see changes to their conscription service within the next few years. Currently, the Turkish government is looking at restructuring the Turkish Armed Forces into “a smaller, more streamlined force relying less on conscripts” to meet its security requirements.²¹³

In order to use their defense dollars more effectively, countries around the world are becoming **more open to best practices and innovative ideas from the private sector for application in their armed forces**. The defense departments in Singapore, United Kingdom and the U.S. have already moved their non-core functions to a shared services provider model.²¹⁴ Central and Eastern European countries have also started to evaluate changes to their procurement procedures and use outsourcing services from the private sector.²¹⁵ To rationalize costs and avoid duplication of efforts, several European countries have closed down their military hospitals and transferred the capabilities to civilian hospitals.²¹⁶ The reality is that personnel and budgetary constraints have left countries with no choice but to make greater use of the private sector to support their defense capabilities. One example is the increasing trend of applying innovative methods for capability development in Europe as shown in Table 6.

213. Ümit Enginsoy, “Mandatory Military Service Up for Debate in Turkey,” *Hürriyet Daily News*, last modified October 15, 2010, accessed November 8, 2010, <http://www.hurriyetdailynews.com/n.php?n=turkey-seeks-to-solve-key-social-issue-of-military-service-2010-10-15>.

214. The Ministry of Defense, Singapore has outsourced its human resource services, finance services and National Service administrative services to an in-house shared services entity. The accounting and financial functions for the Department of Defense in the U.S. and the United Kingdom have been consolidated and are being managed by the Defense Finance and Accounting Service and the Financial Management Shared Service Centre respectively.

215. Amara and Paskevics, *The Impact of Accession on Military Expenditure Trends for New NATO Members*, 21.

216. European Defense and Security Assembly, “Medical Cooperation Among European Armed Forces,” Document A/2076, June 16, 2010, 6.

Method	Possible Definition	Example
Sharing of capabilities	Joint use of national capabilities without a specific mechanism for use	European Carrier Group Initiative (ECGI; declaration of intent signed 10 November 2008)
Pooling of capabilities	Delegation of nationally owned resources to a multinational structure for use	Movement Coordination Centre Europe (MCC-E), Eindhoven
Role and task sharing	States rely on other states or a multinational structure for certain capabilities. Options include the sharing of niche capabilities, such as CBRN or medical aircraft, or the sharing of rare and costly capabilities, such as satellite-based reconnaissance	European Air Transport Fleet (EATF; declaration of intent signed 10 November 2008)
Pooling through acquisition of enabling capabilities	Capabilities funded by national governments but held and operated by multinational structures	Airborne Warning and Control System (AWACS); Strategic Airlift Capability (SAC)

Table 6. Innovative Methods for Capability Development²¹⁷

The Czech Republic and Poland have both entered into joint procurement agreements with its allied partners to enable military capabilities at a lower cost. These include the Strategic Airlift Capability agreement and the establishment of the European Air Transport Fleet. Through joint procurement and sharing of niche capabilities, countries will be able to reap the benefits of economies of scale and reduce unnecessary duplication, maintenance costs, and the need for huge inventory of expensive military equipment. More importantly, such collaboration provides the “military substance to the political principle of collective security” in the alliance.²¹⁸

C. EVALUATION OF THE PROPOSED MODEL

The proposed model of reform developed and described in Chapter II has been useful in analyzing and comparing the different forces of reforms, as well as the interconnectivity between them. The model also allows one to relate the desired goals and outcomes to the different forces of reforms. However, due to the close interconnectivity between the different forces, some degree of ambiguity is inevitable in categorizing the different forces of reform. One example is the question whether all the items under chance events are truly chance events. For example, in the case of the “Drawsko affair,”

217. International Institute for Strategic Studies, *The Military Balance 2010*, 108.

218. Cottey, Andrew, Timothy Edmunds and Anthony Forster, “Military Matters: Beyond Prague.”

an outsider looking at Poland as a whole could classify the scandal as a chance event that shaped the reform initiatives following the aftermath of the incident. On the other hand, if one is looking more narrowly at the PAF, the pledge of allegiance by senior military officials could be viewed as a rather deliberate action and be categorized under political forces instead. In another example, the dysfunctional state of the armed forces is an internal force for change. However, if the political elites see this as an obstacle to their political objectives, for example, to join NATO, and initiate defense reforms to address these issues, one could classify these items under political forces for change. Hence, the decision on the classification of the different forces of reform depends on one's point of view. More importantly, there is a need to maintain a consistent perspective when going through the analysis to decide on how to categorize the forces of reform.

There are two possible areas of refinement in the model. One area is to expand the forces of reforms to include international forces. Currently, there are four categories of forces of reforms, namely political forces, socio-economic forces, internal forces and chance events. Through the exercise of categorizing the defense reforms for the selected four countries, the author found that international forces, such as NATO and the U.S., played a significant role in influencing and shaping the defense reforms in these countries. Having an additional category of forces of reform will allow the isolation of the influence by international forces on defense reform for better analyses.

Another area that appears to be lacking in the model is the identification of key actors involved in the defense reforms. One would have to infer the champions and participants by examining the tides of reforms and tie back to their interests in specific reforms. As the analysis of the actors is not within the scope of this research, it is recommended that future studies be conducted to further explore this area. Nonetheless, the model has provided a structured process for use in the analysis of defense reforms.

VIII. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

A. SUMMARY

Throughout history governments have been drumming the beat of public sector reform, including defense-related reforms. Light described these reforms as tides of reforms,²¹⁹ with desired outcomes to reduce wastages, promote efficiencies, improve accountability, and enhance adaptability in government agencies. These reform tides are constantly shaped and influenced by different reform forces due to changing political environments, socio-economic conditions, internal pressures and unexpected events, which have significant impact on government, the public and even nations.

Since the end of the Cold War, widespread defense reforms have been carried out in armed forces around the world, especially in countries in Central and Eastern Europe that were formerly part of the Soviet Union. In the case of Bulgaria, Poland, Ukraine and the Czech Republic, these transitioning countries faced similar challenges in nation building after the fall of communism. They had to make two important decisions: allocation of scarce resources to address economic versus national security and defense issues, and foreign policy positions with respect to political, economic, and security relations towards the Western nations and Russia. These decisions provided different ideas and objectives in shaping each country's national security and defense strategies, which had direct impacts on defense reforms. While the four countries went through a similar pattern of defense reform, their results and pace of reform varied, dependent upon the unique political environments, foreign and security policy objectives and the socio-economic pressures in each country.

Among the different reform forces, political force was one of the most important drivers of defense reform for Bulgaria, Poland, Ukraine and the Czech Republic. In the first phase of defense reform, the governments of the four countries focused on reducing excess or unnecessary components of the armed forces under the reform tide of war on

219. Light, *The Tides of Reform: Making Government Work*, 1945–1995, 1–13.

waste, as the threat of a traditional large-scale warfare disappeared after the collapse of the Soviet Union. With NATO as the remaining military power in Europe, many analysts “...predicted NATO’s destiny of irrelevancy, if not total collapse.”²²⁰ More importantly, it was financially not sustainable to maintain a huge military force given the difficult economic conditions in the early 1990s, as the countries transitioned from centrally managed economies to open market economies. Concurrently, the four countries launched the reform tide of watchful eyes to depoliticize their armed forces and redefine the roles and responsibilities between the civilian-ministry and military departments. This was observed especially for governments seeking to integrate with NATO or the EU, although the reform tide of watchful eyes to provide greater accountability on the actions of the their armed forces tended to fade away once the strategic goal of joining NATO was achieved.

In the second phase of defense reform, Bulgaria, Poland, Ukraine and the Czech Republic launched the reform tides of scientific management and liberation management in the 2000s. During this period, defense reform initiatives were targeted at strengthening defense management and modernization of the armed forces to deal with new security challenges, primarily after September 11, 2001. For Bulgaria, Poland, and the Czech Republic, defense reforms were driven by pressures from two reform forces—‘political forces’ and ‘internal forces’ to improve interoperability with NATO and allied forces after their accession to the alliance. As for Ukraine, political force was the push factor, as the Ukrainian government realized that the state of the UAF had become an obstacle to its integration with Euro-Atlantic. Due to the global economic crisis and other competing national priorities, all four countries had to delay or cancel many of the reform initiatives in the face of declining budgetary support in the latter half of the 2000s. As these governments continue to roll out discretionary fiscal measures to manage their deficits, there will be greater pressure to trim defense spending. In the light of the changes in the political, economic and security climates, many countries, including Bulgaria and the Czech Republic, have started to review their defense strategies and re-chart the course for reform and transformation of their armed forces.

220. Hendrickson, “The Miscalculation of NATO’s Death,” 98.

Several other observations may be made from analyzing the defense reforms for the four countries. First, the commitment to join NATO has a positive effect on defense spending. However, the trend of increasing defense spending as a percent of GDP was not sustainable after Bulgaria, Poland and the Czech Republic were granted full membership in the NATO alliance. Second, there exists a general downward trend in terms of defense spending as a percent of GDP from 1994 to 2009 for all four countries. This downward trend is expected to continue in view of the prolonged global recession. Third, the interaction and cooperation with international actors, such as NATO and the U.S., has a favorable effect on the pace of defense reform for all four countries.

B. CONCLUSIONS

From the analysis of the four countries several conclusions can be drawn regarding the emerging trends for defense reforms over the next three to five years.

- In the absence of direct and immediate threats, downward pressure on defense spending is expected to continue in Europe, especially for transitioning countries in Central and Eastern Europe.
- International peacekeeping deployments for the UN, NATO and EU are projected to be maintained at the current level, or increase in the short run based on existing trends.
- Central and Eastern European countries will continue to ride on the reform tide of the war on waste to downsize their armed forces given limited resources. Concurrently, greater focus will be on developing a smaller but more flexible, responsive, and professional military force through the reform tides of scientific management and liberation management.
- Professionalization of the military and the move towards an all-volunteer military force that is capable of dealing with asymmetric threats and be deployable for multinational peacekeeping operations will be one of the main themes for defense reforms in Central and Eastern Europe.

- Countries around the world have become and are becoming more open to the idea of adopting best practices and innovative ideas from the private sector and applying them in their armed forces.

To summarize, defense is defined as the military action or resources for protecting a country against potential adversaries.²²¹ It is “...inseparable from political stability, economic success, and social harmony.”²²² When threat is perceived to be lacking or uncertain, affordability becomes an important factor in the defense policy decision-making process and in the allocation of national resources for defense. A current assessment of the security environment in Europe is that “... no state in the region considers its neighbors as potential opponents.”²²³ With a prolonged economic downturn, the question of guns versus butter will thus consistently be a topic of debate amongst governments, while their ministries of defense will have to restrategize how best to maximize their limited resources to achieve the goals of defense reforms.

C. RECOMMENDATIONS FOR FUTURE RESEARCH

There are several areas of recommended follow-up from this research. First, the model can be refined by expanding the categories of forces of reforms to include international forces’ influence on defense reforms. Second, the model can be tested with more case studies, especially for transitioning countries, both in Europe and other parts of the world, to verify if similar trends exist in their defense reforms. Third, indicators can be developed to compare and measure the different aspects of defense reforms between countries over time. Some possible criteria for use in this regard include a country’s willingness to spend on defense, invest in modernization, and contribute and participate in international peacekeeping missions. Finally, perhaps additional modifications to the proposed model can be explored to relate the key actors involved in defense reforms to the tides and forces of reform.

221. Princeton University, “Wordnet: An Electronic Lexical Database,” accessed November 12, 2010, <http://wordnetweb.princeton.edu/perl/webwn?s=defense>.

222. Susan L. Shirk and Christopher P. Twomey, *Power and Prosperity: Economics and Security Linkages in Asia-Pacific*, (New Jersey: Transaction Publisher, 1996), 28.

223. No author, “White Paper on Defence and Armed Forces of the Republic of Bulgaria,” 4.

APPENDIX. CURRENT VERSUS PROPOSED STRUCTURE OF THE BULGARIAN ARMED FORCES BY 2014

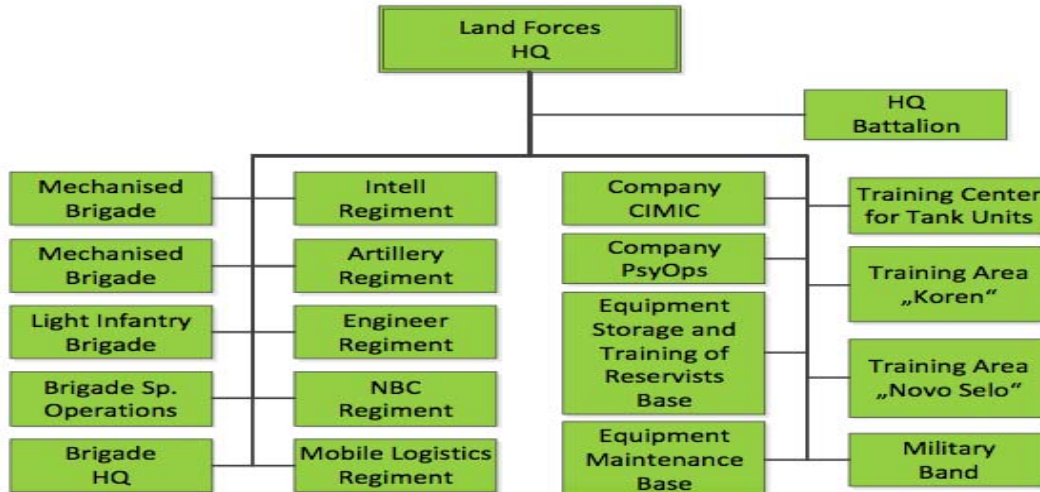


Figure 10. Structure of Bulgarian Land Forces in 2010²²⁴

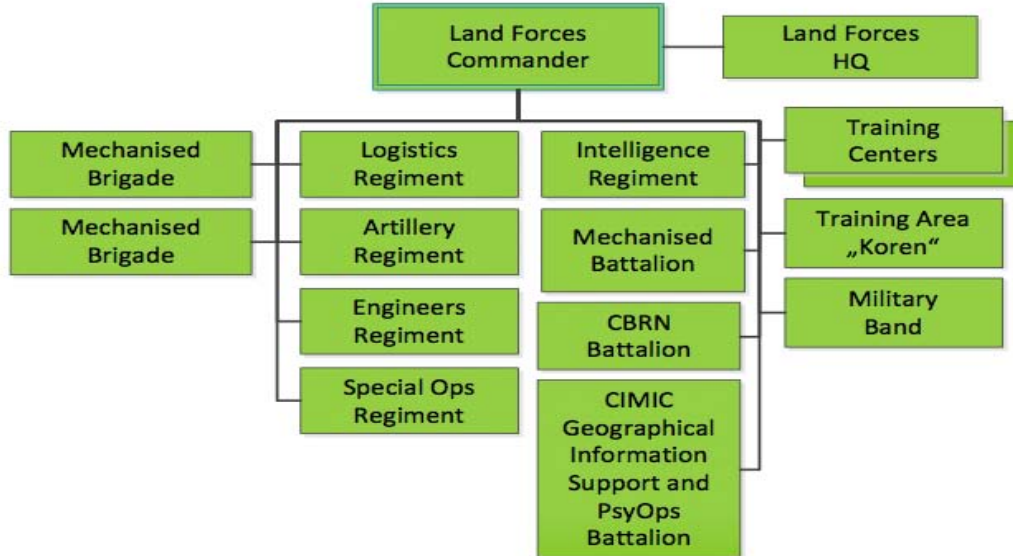


Figure 11. Structure of Bulgarian Land Forces by 2014²²⁵

224. No author, "White Paper on Defence and Armed Forces of the Republic of Bulgaria," 15.

225. Ibid.

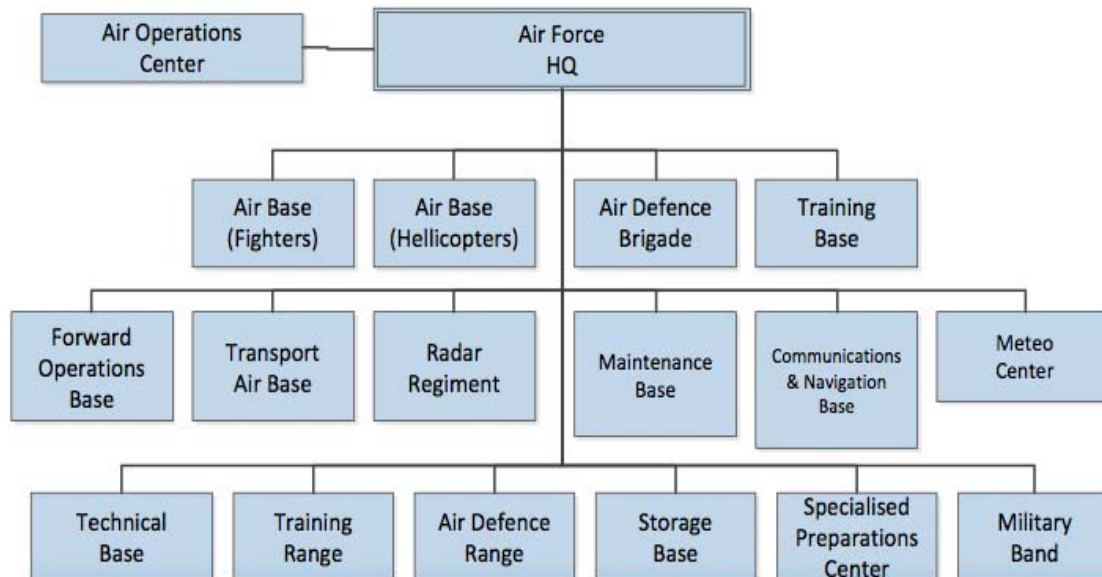


Figure 12. Structure of Bulgarian Air Force in 2010²²⁶

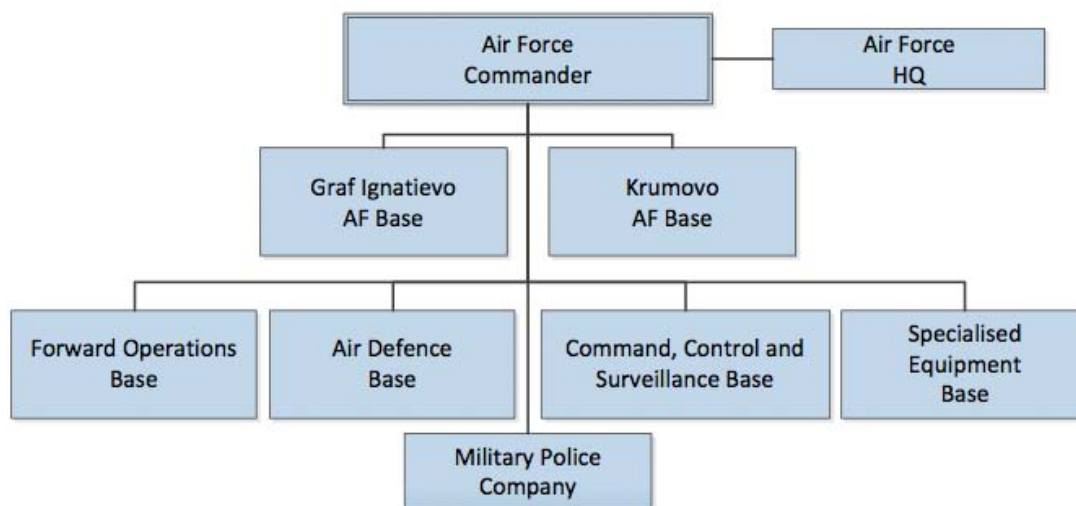


Figure 13. Structure of Bulgarian Air Force by 2014²²⁷

226. No author, "White Paper on Defence and Armed Forces of the Republic of Bulgaria," 16.

227. Ibid., 17.

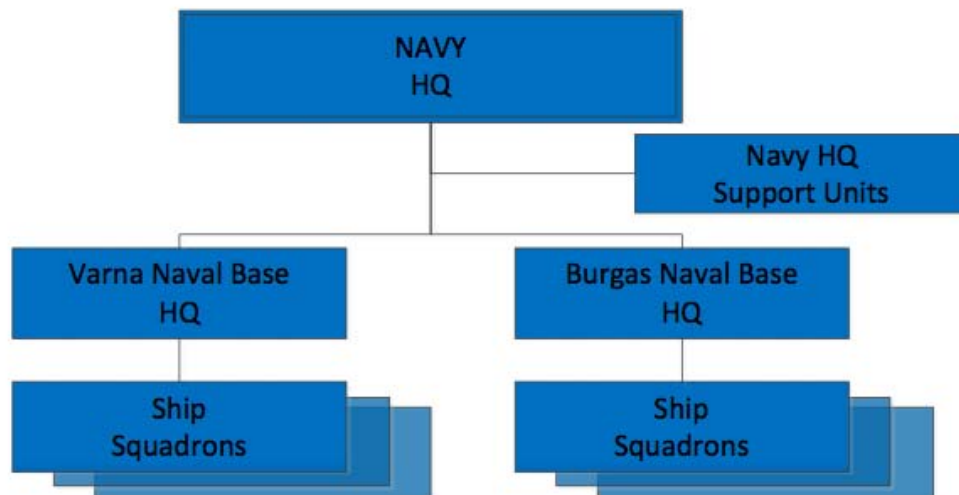


Figure 14. Structure of Bulgarian Navy in 2010²²⁸

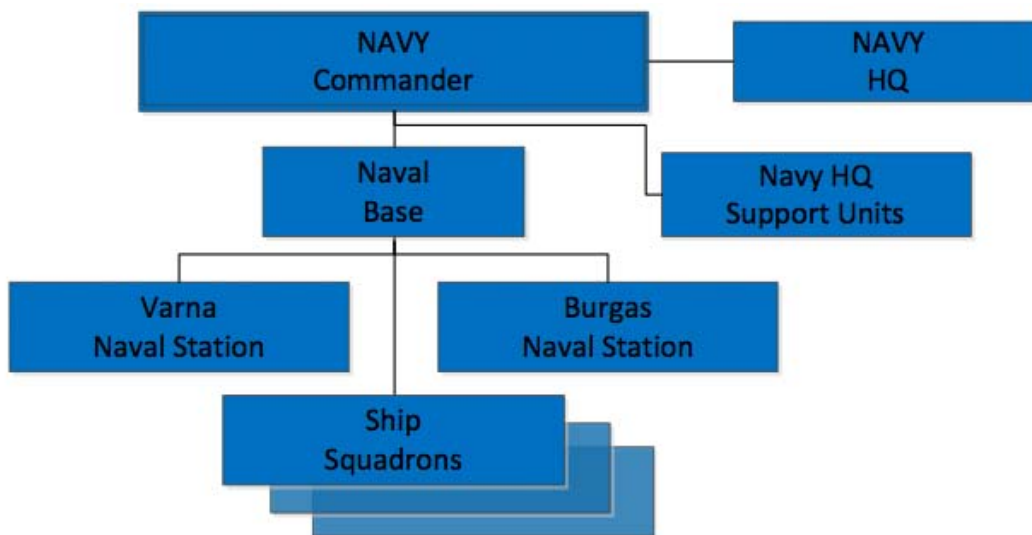


Figure 15. Structure of Bulgarian Navy by 2014²²⁹

228. No author, "White Paper on Defence and Armed Forces of the Republic of Bulgaria," 18.

229. Ibid.

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